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5 RECORD OF ORAL HEARING

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7 UNITED STATES PATENT AND TRADEMARK OFFICE  
8 BOARD OF PATENT APPEALS AND INTERFERENCES  
9

10 Patent Interference No. 105,496 (RT)

11 CALIFORNIA INSTITUTE OF TECHNOLOGY  
12 (5,821,058),  
13 Junior Party,  
14

15  
16 v.

17 ENZO LIFE SCIENCES, INC.  
18 (08/486,069),  
19 Senior Party.  
20

21  
22 Oral Hearing Held: Thursday, November 29, 2007  
23

24  
25 Before RICHARD TORCZON, SALLY G. LANE, and MICHAEL P.  
26 TIERNEY, *Administrative Patent Judges*.  
27

28  
29  
30 ON BEHALF OF THE SENIOR PARTY:

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Interference 105,496

Also present:

Curtis McFarren, Esq., Applied BioSystems

Victor Lee, V.P. of IP at Celara, subsidiary of Applied Biosystems

Adam Cochran, Esq., patent counsel for Cal Tech

*The above-entitled matter came on for hearing on Thursday,  
November 29, 2007, commencing at 9:41 a.m., at the U.S. Patent and  
Trademark Office, 600 Dulany Street, 9th Floor, Hearing Room A,  
Alexandria, Virginia, before John Hundley, Notary Public.*

JUDGE TORCZON: Okay, we are here for a motions hearing  
in Interference 105,496.

Would counsel please themselves and their entourage, starting  
with junior party?

MR. VOIGHT: Good morning, Your Honor, I am Jerry  
Voight, lead counsel for Cal Tech. I'm with the firm of Finnegan  
Henderson. Sitting with me now at the counsel table is Steve O'Connor, my  
partner at Finnegan Henderson. Sitting directly behind him is Nicholas  
Groombridge of the Weil Gotshal firm. And Mr. Groombridge is also going  
to argue one of the motions today.

Then starting over on my far right we have Curtis McFarren.  
You've been familiar with him. He's in-house counsel for Applied  
BioSystems. They're a litigation counsel that's been on many of our  
conferences. Next to him is Paul Barker, also a partner at Finnegan  
Henderson who's participated in the preparation of the case. And next to  
him is Victor Lee. Mr. Lee is V.P. of IP at Celara, one of the Applied  
Biosystems companies. And behind him is Adam Cochran who is patent  
counsel for Cal Tech.

1 Did I miss anybody? I think not.

2 JUDGE TORCZON: Mr. Schulman?

3 MR. SCHULMAN: Good morning. I'm representing the senior  
4 party. We have my partner, Gene Rzucidlo from Hunton & Williams. Then  
5 we have Scott Yarnell, partner at Hunton & Williams, Robert Lampe,  
6 Associate at Hunton & Williams, Jeff Robertson, Associate at Hunton &  
7 Williams, David Kelley, an associate at Hunton & Williams, and Ronald  
8 Fedus, who is in-house counsel for Enzo Biochem.

9 JUDGE TORCZON: Okay. Very good.

10 You had asked for a little bit more time than usual for the  
11 hearing this morning. That was granted. Unfortunately, given confusion on  
12 our end on when the stenographer was to show up, we've already eaten into  
13 a bit of your time.

14 I hope we can make this up without running it into your  
15 lunches, so let's begin promptly with the junior party.

16 MR. O'CONNOR: Good morning. Cal Tech is going to begin  
17 by discussing its motion 4, which is a motion for judgment on the ground of  
18 lack of written description. The Board authorized this motion as a threshold  
19 issue. Accordingly, if the motion is granted, the Board should terminate the  
20 interference consistent with Board Rule 201.

21 As stated by the Federal Circuit, the purpose of the written  
22 description requirement is to prevent an applicant from later asserting that  
23 he invented that which he did not. Enzo's representative claims are directed  
24 to a process for sequencing polynucleotides using non-radioactive labels.  
25 To comply with the written description requirement, Enzo must sufficiently  
26 describe the process embodied in its 22 representative claims to convey to

1 one of skill in the art that it had possession of the claim process at the time  
2 of its application. Enzo's specification fails to do so. In fact, it does not  
3 describe the claim processes at all.

4 If I can direct the Board to Book 1 of Cal Tech's  
5 demonstratives at Tab 1, the relevant disclosure of Enzo's 111-page  
6 specification appears in a single paragraph on page 84, which contains only  
7 a reference to a sequencing gel -- a tool used not only in sequencing  
8 methods, but also in other techniques in molecular biology. Although in its  
9 opposition Enzo and its expert Dr. Roe point to disparate parts of its  
10 specification in an attempt to cobble together description for the  
11 representative claims, this is the only passage in Enzo's specification that  
12 even mentions sequencing gels.

13 Moreover, on cross examination, Dr. Roe testified that the  
14 paragraph on page 84 is the only part of Enzo's specification that relates to  
15 sequencing. So how do Enzo's representative claims compare to this  
16 disclosure? And I would direct the Board to Tab 2. In this tab, we show  
17 Enzo's five independent claims, and on the last page of this tab we have the  
18 count reproduced as well. And each page also includes the paragraph from  
19 page 84.

20 If we look for example at the first page of the tab, at Enzo  
21 claim 569, you see that the claim is directed to a process for determining the  
22 sequence of nucleic acid of interest, reciting a number of steps, such as:  
23 providing regenerating, detectable, non-radioactive nucleic acid fragments;  
24 subjecting those non-radioactive fragments to a sequencing gel to separate  
25 or resolve them and then detecting non-radioactively the presence of each of

1 the separated or resolved fragments; and, finally, determining the sequence.

2  
3 If you compare the claim limitations to the disclosure, you see  
4 that we have a situation here, which is exactly what proper application of  
5 the written description requirements should prevent, and after filing attempt  
6 by an applicant to stretch the limits of its disclosure to obtain claims  
7 covering subject matter that the applicant did not invent. Now, according to  
8 Enzo's expert Dr. Roe, there was a strong desire in the art, prior to the filing  
9 of Enzo's first patent application for methods of sequencing that did not use  
10 radioactive labels.

11 Enzo would have the Board believe that its scientists invented  
12 that highly desirable technology back in 1982. However, if Enzo had truly  
13 invented the patented process or the claim process, then why isn't that  
14 invention expressly and unambiguously disclosed in its specification. Why  
15 would Enzo describe that desirable technology by a single parenthetical  
16 reference to sequencing gels buried on page 84 of its specification as part of  
17 an example which is directed to using a key leader as a non-radioactive  
18 label. Why would Enzo wait 15 years after its first filing to finally claim the  
19 subject matter?

20 Cal Tech believes the answer is simple -- that Enzo's scientists  
21 did not invent the technology embodied by the representative claims; and,  
22 thus, it is not described in Enzo's specification. The Enzo specification  
23 lacks explicit disclosure of the claimed process. The specification also  
24 lacks explicit disclosure of the steps recited in the representative claims.  
25 Enzo attempts to cure those deficiencies by drawing all of the description  
26 required to support its claim processes out of the prior art and into its

1 specification, based on that parenthetical reference to sequencing gels,  
2 which is one example of a gel used for detecting nucleic acids to monitor  
3 hybridization reactions.

4 Thus, we see in its opposition Enzo relies on the testimony of  
5 Cal Tech's expert, Dr. Gold, that sequencing techniques were widely known  
6 during the relevant time period. Enzo also relies on the testimony of its  
7 expert, Dr. Roe, that every step of Enzo's representative claims is found in  
8 the prior art, although with the difference that the prior art used  
9 radioactively labeled nucleotides and the Enzo claims require non-  
10 radioactively labeled nucleotides.

11 Enzo's reliance on the prior art knowledge of radioactive  
12 sequencing as support for its claims is legally erroneous in view of the  
13 Federal Circuit's holding in *Lockwood v. American Airlines*. And there is a  
14 page from the case reproduced at Tab 3.

15 JUDGE TORCZON: In *Lockwood* though the theory was one  
16 of obviousness; and in *In Re Alton*, there was sort of a stringing together  
17 disparate parts of the specification. And in that case, the Federal Circuit  
18 reversed holding that it was persuaded by the testimony of the declarant that  
19 notwithstanding the sort of scattershot disclosure, ones Golinear would have  
20 appreciate what was now being claimed.

21 So why don't we just have that situation. Why do we even have  
22 to go to an obviousness theory?

23 MR. O'CONNOR: I'm not familiar of the exact facts in the  
24 *Altman* case, Your Honor, but there's no problem with pointing to different  
25 points of the specification to find all of the limitations which are recited in  
26 the claim. The issue here is that none of the limitations are recited -- I'm

1 sorry -- in the specification. Here, the problem is none of the limitations are  
2 recited in the specification. And this is exactly what the *Lockwood* court  
3 was focusing on. In *Lockwood* there was a missing limitation; and at the  
4 District Court level, the District Court focused entirely on the specification  
5 to find the missing limitation, saw that it was not there, and ruled that there  
6 was no written description.

7 *Lockwood* said that was error because the Court should have  
8 looked to the skill in the art to find the missing limitation, which is exactly  
9 what Enzo is doing here. And the Federal Circuit affirmed saying that one  
10 shows that one is in possession of the invention by describing the invention  
11 with all of its claimed limitations, not that which makes it obvious.

12 JUDGE TORCZON: Ultimately, the test here is what one  
13 skilled in the art would apprehend on reading it. Right? So, in fact, we've  
14 been admonished in other cases. I can't remember. There's a great Judge  
15 Rich quote somewhere that says, "Look. All written description is fact." So  
16 you've got to be really careful about generalizing from one case to the next.  
17 And *Alton* is a sequence case, and different parts of the sequence are  
18 disclosed, but never is it all strung together yet. There's a declaration from  
19 an expert in the field who says, "yes." One skilled in the art looking at this  
20 would have envisioned the specific sequence now being claimed based on  
21 the fragments that are scattered throughout the spec.

22 MR. VOIGHT: It's moving because of that sequence.

23 MR. O'CONNOR: I'm sorry, Your Honor. Go ahead.

24 JUDGE TORCZON: I'm just thinking, you know, we're  
25 dealing with an art where the level of skill is pretty high. Right? So, yet I



1 think when one reads a specification, aren't they bringing a whole body of  
2 knowledge that they can bring to bear to figure out what's going on?

3 MR. O'CONNOR: It sounded like, Your Honor, in describing  
4 the situation element that the sequence was known as was in the prior art.

5 JUDGE TORCZON: No. No, the bits and pieces were, but  
6 you know it would be -- the phrase we sometimes use in anticipation cases  
7 is it's sort of a Chinese menu -- you know. You can get anything out of  
8 column A, anything out of column B, anything out of column C. All of a  
9 sudden at the end you've got a specific thing that requires this serpentine  
10 path through the choices.

11 And I'm not even sure there'd be an obviousness case if that  
12 were scattered in the prior art. And yet there was written description,  
13 because a witness on these facts, one skilled in the art looking at it, would  
14 say yes, of course. That was one of the things they invented. So I guess my  
15 question is why can't we take their witness's word here when he says, yes,  
16 it's not as clear as I might have wished, but looking at this I can't really see  
17 what else they could have been talking about.

18 MR. O'CONNOR: We also have testimony on the other side  
19 which goes the other way, and that testimony from Cal Tech's witness, Dr.  
20 Gold, says you can't divorce the parenthetical reference to sequencing gel  
21 from the context of the paragraph in which it appears. And when you read  
22 that context, according to Cal Tech's expert, that does not teach a method of  
23 sequencing using non-radioactive labels.

24 And that's another difference, Your Honor. To the extent the  
25 Altman case you were piecing bits of things together and it was okay to do  
26 that because it was something in the art, here in the prior art as of Enzo's

1 earliest filing date there were no non-radioactive methods for sequencing.  
2 So all these steps, which require non-radioactive labels didn't exist. So why  
3 should reference to the art allow them. That's where the obviousness comes  
4 in. If the art teaches radioactive, maybe it would be obvious to use non-  
5 radioactive. But the teaching of non-radioactive was not in the art.

6 JUDGE TORCZON: I think we've got a pretty good grip on  
7 this motion. If you want to spend more time, that's fine. But you you've got  
8 a lot of ground you wanted to cover.

9 MR. O'CONNOR: We aren't pressed for time. If the panel has  
10 no further need for discussion or questions, I'll yield the podium.

11 JUDGE TORCZON: We will certainly bring you back if we  
12 have something. Do you have another issue, though, another motion you  
13 wanted to talk about?

14 MR. VOIGHT: Yes. How does Your Honor want -- or maybe  
15 we should have had a procedural question. Do you want the opposition  
16 motion by motion, or should we?

17 JUDGE TORCZON: I think I'd rather just hear it all in one  
18 shot, so we'll get all of your motions and all of your opposition motion and  
19 then replies. Yeah, but certainly reserve some time for rebuttal.

20 MR. VOIGHT: And I'm going to argue our next motion, which  
21 is Cal Tech Motion 7 for Judgment under 135(b).

22 Cal Tech's motion for judgment under 135(b) is based on a  
23 patent that's not involved in the interference. It's Smith patent 5,171,534.  
24 Although the patent is not involved in the interference, it's closely related to  
25 the patent it is. It's part of the same family and it has the same lineage.

1 JUDGE TORCZON: When I read your motion, Mr. Voight,  
2 the impression I got was that you were saying that for all practical purposes  
3 these claims correspond to the count. Is that a fair characterization?

4 MR. VOIGHT: I think that's really not the test, although.

5 JUDGE TORCZON: But that's not the question, though. My  
6 question is: is it Cal Tech's position that the claims properly would  
7 correspond to the count?

8 MR. VOIGHT: I think the claims could have been designated  
9 as corresponding to the count. I think that could have been the case, yes.

10 In authorizing this motion, you will recall, Judge Torczon, you  
11 made it contingent on us to establishing that it did raise a threshold issue  
12 that there was a reason to expect repose. And I know you're all familiar  
13 with the Rule 201, but it is produced at Tab 18 in our Book 1. And I think  
14 the key language is threshold issue may include repose under 135(b) in view  
15 of the movant's patent or published application.

16 Of course, there's little authority construing this rule. It's only  
17 been in existence since what -- September or October 2004 -- but you've  
18 called our attention to the *Strelchenko* case. And I certainly think  
19 *Strelchenko* makes it clear that you don't raise a threshold issue by  
20 presenting a 135(b) issue with regard to some unrelated patent. And  
21 *Strelchenko*, a 135(b) bar I think was subsequently found, but it was not  
22 treated as a threshold issue. Well, in *Strelchenko* there was no relationship  
23 between the patent relied upon and movant's case. And it's just a totally  
24 unrelated patent. I mean, it was in a related interference, but there was no  
25 common ownership, no common inventorship. It wasn't part of the same  
26 chain of cases.

1           Here, we've got the same inventors. We've gotten identical  
2 specification in the same earlier patents. We think that the *Berman V.*  
3 *Housey* case is actually closer factually than *Strelchenko*. And I'm sure  
4 you're all familiar with *Berman V. Housey*. In fact, I think you were on the  
5 Board panel, Judge Torczon. I'm not sure of that, but anyway in *Housey*  
6 there were three *Housey* patents. And Housey I and II, claims directed to  
7 the same subject matter was not presented until more than one year after it  
8 had issued.

9           But, in Housey III, claims directed to patent or to interfering  
10 subject matter was presented within the one-year time period. And Housey  
11 argued that even if there is a 135(b) bar with regard to Housey I and II, there  
12 is no 135(b) bar with regard to Housey III. And I should be able to proceed  
13 in this interference against the Housey III patent. But the Court ruled, and  
14 this was when it went to the Federal Circuit, and I think affirming the  
15 Board, that there was a 135(b) bar created by Housey I and II that applied to  
16 Housey III and that was a threshold issue that foreclosed the interference  
17 going forward with regard to Housey III.

18           JUDGE TORCZON: Well, as you pointed out, the literal  
19 wording of the rule is the movant's patent. And so, I guess the question is  
20 what is to what extent can we properly call this the movant's patent. You  
21 said it's co-assigned, right?

22           MR. VOIGHT: Yes.

23           JUDGE TORCZON: The inventorship is substantially the  
24 same?

25           MR. VOIGHT: Identical, Your Honor.

1           Your Honor, there is in the exhibits, I think it's at 22, there's a  
2 family tree. And the involved patent is shown on that family tree. In this  
3 exhibit, it's not all of the family tree, but it's everything that's relevant to this  
4 interference. There are eight cases, and they're listed in order of filing.

5           JUDGE TORCZON: Well, but the rule doesn't say related  
6 family. The rule says, movant's patent.

7           MR. VOIGHT: Well, it is a patent of the movant. It's owned  
8 by Cal Tech.

9           JUDGE TIERNEY: So, Mr. Voight, did you seek to add the  
10 '534 patent to this interference?

11           MR. VOIGHT: We have not sought to. I sort of feel like why  
12 should we do that, put that patent at risk. It's not in there. I think it could  
13 have been in. I would say we probably would have had it in there except for  
14 the 135(b) problem.

15           JUDGE TIERNEY: Would you have mooted the question of it  
16 being the movant's patent?

17           MR. VOIGHT: If it were part of the interference.

18           JUDGE TIERNEY: Well, would it? Is it all that different? I  
19 guess it would be the movant's patent, but under Housey it certainly stands  
20 for the proposition that a closely related patent can create a bar, even if it's  
21 to a patent where there is no 135(b).

22           MR. VOIGHT: But is there any dispute over Housey? What  
23 the dispute today is is it a threshold motion?

24           JUDGE TIERNEY: Well, certainly, Housey predates Rule  
25 201, but Housey did find it to be enough to raise the threshold issue.  
26 Absolutely, the opinion is clear that they're saying this is a threshold issue.

1 Berman wanted to go ahead with regard to the Housey III, and the court  
2 said, no. It's over. There's a basic threshold issue here. You don't have  
3 standing. You're out. What he wanted to do was attack the patentability of  
4 Housey III, and he said well, Berman can't do that. There was no bar as to  
5 that patent. And, also, I mean, well I make a point about it not being -- is it  
6 relevant?

7 Are you interested in the fact that it is not a parent? I mean, but  
8 for the fact of a restriction requirement, it would have been a parent in this  
9 case. And even without the restriction requirement, we do have a pending  
10 motion that would make it a parent case if that brings it closer to Housey.  
11 Although I'm not sure that being a parent should make a difference in a case  
12 like this. Why shouldn't you expect repose as to some particular subject  
13 matter against anything that's substantially the same subject matter, even  
14 though that issue's in a later patent. I think you have every reason, once  
15 you've got a patent, to expect repose for something that's substantially the  
16 same subject matter.

17 JUDGE TORCZON: If we reached priority and we decided  
18 priority against Cal Tech, would that cast a shadow on the validity of the  
19 barring patents claims?

20 MR. VOIGHT: Certainly. I mean, if indeed there is a 135(b)  
21 problem there, which we maintain there is, it certainly would cast as shadow  
22 on the validity of their patent, absolutely.

23 We haven't at all talked about the actual 135(b) issues, and  
24 unless you don't want to hear about that, I will turn to that issue. And again,  
25 I know you're all familiar with 135(b), but it is reproduced at Tab 19 in our  
26 first Book of demonstratives if you want to look at it. Basically, 135(b) as

1 you all know is triggered first when claims are presented in a patent  
2 application that are for substantially the same subject matter as claims in an  
3 issued patent. That's the first factor. And second, then those claims are  
4 presented more than one year after the patent is issued.

5 Well, in this case, Enzo never presented any kind of sequencing  
6 claims until more than four years after the '534 patent issued. So that factor  
7 is not in dispute. Then we're down to are the claims directed to substantially  
8 the same subject matter. There's surprisingly little authority reidentifying or  
9 giving you a methodology or a test for determining, when claims were  
10 directed to substantially the same subject matter, when this is the statute  
11 that's been there unchanged for over 50 years, and the language goes back in  
12 predecessor statutes even longer than that.

13 But one thing is I think it's certainly clear today that the test for  
14 determining interfering subject matter, i.e. lack of patentable distinctness, is  
15 not the 135(b) standard. And that was the *Berger* case. Looking at, I think  
16 at the older cases, I think they say the test is whether the relevant claims  
17 differ by any material limitation. Material limitation isn't real precisely  
18 defined in the cases either, but *Berger* notes that if a limitation patently  
19 distinguishes the claims, that's strong evidence that it's a material limitation.

20  
21 And then I think a more recent test that comes out of *Berman* is  
22 in determining whether claims are for substantially the same subject matter.

23 You look and see if the essential, patentable subject matter is the same in  
24 both the issued patents and the application claim that's in dispute are being  
25 attacked on a 135(b) basis. I think here Enzo really is in terms of claim  
26 limitations and their claims. The only things they've pointed to is being a

1 limitation that distinguishes their claims, or the preamble limitation in the  
2 '534 patent indicating that it is directed to a system or a reapparatus as well.  
3 The Enzo claims are directed of course to a process.

4 But I think that issue was dealt with in *Corbett v. Chisolm*,  
5 where I guess that was probably CCP. It probably predates the Federal  
6 Circuit. I'm not sure right now. But, anyway, that case clearly recognized  
7 that apparatus claims can defeat a 135(b) bar directed to process claims. So,  
8 I mean, that's the same test. It can defeat it if it would work the same to  
9 create it. And on this regard, look at the functional limitations, or the  
10 apparatus limitations in the claims of the '534 patent. They're defined very  
11 functional. There is no real specific apparatus limitations in that claim.

12 And we show in our brief; there's a chart in there. We show the  
13 differences over the prior art, and the differences reside in the use of  
14 radioactive labels or tags on nucleotide fragments and then detecting those  
15 fragments after separation by a like a colormetric, photometric means.  
16 That's what are the essential features of the Enzo claims. In fact, they've  
17 argued repeatedly in this interference that the mere mention of sequencing  
18 gel in combination with nucleotide fragments tagged with a non-radioactive  
19 tag is all that's needed. That's the basis of their claims.

20 Thank you.

21 JUDGE TORCZON: Do you have another motion you want to  
22 argue?

23 MR. GROOMBRIDGE: Yes, we do. I think.

24 JUDGE TORCZON: I'm sorry. You're going to have to  
25 introduce yourself again.

26 MR. GROOMBRIDGE: I will, indeed, Your Honor.



1 I am Nicholas Groombridge from the Weil Gotshal firm and I'd  
2 like to start off by thanking the Board for graciously permitting me to  
3 appear *pro hac vice*. And I will be talking about the Cal Tech motion 8,  
4 which is based on prosecution laches. This too is a threshold motion. So as  
5 the Board is aware, no doubt, if it were granted would require the  
6 interference be terminated pursuant to Board Rule 201.

7 JUDGE TORCZON: We've never actually found the laches as  
8 a threshold motion. So you might want to elaborate on that position.

9 MR. GROOMBRIDGE: Certainly. The issue would be here.  
10 If granted, would this establish that the subject matter of the count is  
11 unpatentable to Enzo? And I think the issue here is that it would be  
12 unenforceable. Now, is there a comparability between the legal doctrines of  
13 unenforceability and patentability? I think that's where the issue arises.

14 Certainly, we would submit that it is entirely proper to reach  
15 that conclusion and that in fact the Bogese case in which the Federal Circuit  
16 affirmed a Patent Office decision. In that case, arising from *ex parte*  
17 prosecution in which it was held by the office that the applicant had  
18 forfeited rights and the Federal Circuit affirmed that. We think that clearly  
19 establishes that the Board here has authority to reach such a holding; and, if  
20 it did, that would mean there would be no subject matter; no point in having  
21 the interference.

22 JUDGE TORCZON: Far be it from me to suggest that we don't  
23 have authority to reach an issue, but we have repeatedly said that various  
24 patentability issues are not considered threshold issues. And, in fact, in  
25 authorizing motions in this case, I think we decided to avoid -- actually I

1 decided to avoid -- several suggested motions, because they just were taking  
2 us away from the central issue.

3 So, let's assume for the sake of argument that because laches  
4 isn't specifically listed, what's make laches like the specifically listed issues  
5 that we're concerned about in threshold case for threshold issues.

6 MR. GROOMBRIDGE: Your Honor, I would have to say,  
7 frankly, I did not prepare to address this issue. And I would certainly defer  
8 to my colleagues who are really scions of the interference problem.

9 JUDGE TORCZON: How we would like to handle that issue  
10 is I will invite Enzo and its opposition to address the point. And then, if you  
11 want to, respond during the rebuttal.

12 MR. GROOMBRIDGE: Thank you. So I'll just turn to the  
13 merits here and I would certainly acknowledge that prosecution laches is a  
14 doctrine to be applied in rare cases. We submit that this is one of those rare  
15 cases. We're here in a proceeding in which Enzo is seeking to obtain claims  
16 25 years after its priority date. That, in least in Enzo's view, would Cal  
17 Technology develop during those intervening 25 years technology which  
18 has come to be relied upon to a great extent by the public. And, you know,  
19 most prominently perhaps for example in the human genome project. And  
20 this is precisely the type situation in which the doctrine of negligent delay in  
21 claiming can be invoked to prevent an attempt to reach out and take away  
22 that which has become a central part of the public.

23 Now, the law says that prosecution laches can be found where  
24 there is unreasonable and unexplained delay in prosecution, and what I  
25 would like to do is talk first about the unexplained delay. Look at the delay  
26 and demonstrate why we feel it's unexplained. And then secondly turn to

1 the issue of whether or not it's unreasonable. So we have up here these two  
2 demonstratives, which are also reproduced in the book of exhibits as items  
3 16 and 17. The reason there are two is that in our view there are really two  
4 principal sources of the delay here.

5 First, and by far the most important, is the fact that Enzo failed  
6 even to present claims to the subject matter of the count for 15 years after its  
7 priority date. The first time that claims of this scope, claims to DNA  
8 sequencing -- in essence to the sequencing of nucleic acids were presented -  
9 - was in May of 1997, or just a month shy of 15 years after the priority date.

10 And the key fact there is that Enzo, even as of today, has never offered an  
11 explanation for why it took 15 years to present these claims.

12 JUDGE TORCZON: Are you referring to your demonstrative  
13 16 at this point?

14 MR. GROOMBRIDGE: Exactly, and the one that appears on  
15 the Board's left here with the red arrow running horizontally, and I will  
16 come back to that in the context of unreasonableness looking at what  
17 happened. But we do see there that in the intervening time what had  
18 happened was Cal Tech and its licensee Applied Biosystems had developed  
19 this technology, published it, and in fact made a great commercial success  
20 of it. Also, it's undisputed here that Enzo never commercially exploited this  
21 technology; never did anything to bring it to the market.

22 Now, why do I say that first period of 15 years is unexplained?  
23 Well, we have asked from the beginning of this proceeding what took so  
24 long. What's their reason for that? And no answer has ever been given.  
25 The briefing in Enzo's opposition briefing, the only statement that is made,  
26 and this is at pages 16 to 17, is the presentation of claims in 1997 "merely

1 represents Enzo's attempt to claim methods disclosed in the '069 application.

2 That's the original 1982 application. And that we would submit is no  
3 explanation at all. All that's saying is, well, in 1997 we decided to claim  
4 something that we think was disclosed in our original 1982 priority filing.

5 And, you know, it better be disclosed, because otherwise there would be no  
6 written description. And, as the Board is aware, we feel there is no  
7 indiscretion.

8 But put that question aside for purposes of this motion. The  
9 issue is not whether it's disclosed, but why did it take you 15 years to get  
10 around to presenting some claims to it, and simply saying well, we decided  
11 in 1997 to claim something that we think we described in 1982, just simply  
12 avoid it. It doesn't meet that question at all. There is no answer. Even as of  
13 today there has never been an answer from Enzo as to why they waited 15  
14 years before even presenting for the first time claims to this subject matter.  
15 And, we think that that fact alone establishes prosecution laches for reasons  
16 that I will come back to elaborate on.

17 JUDGE TORCZON: Mr. Groombridge, it's not uncommon at  
18 all for applicants to file an application that covers a number of inventions.  
19 And given restriction practice in the office, why is it unreasonable to pursue  
20 on invention at a time out of that?

21 MR. GROOMBRIDGE: I don't think that that's unreasonable  
22 at all, Your Honor, but that's not what happened here. The original  
23 application that was filed had approximately 200 claims. There was a  
24 restriction requirement, and if my recollection serves, I think it was a 14-  
25 way restriction requirement. Right? And those species were prosecuted in  
26 due course. Absolutely fine.

1           What there was not in those 200 claims and what there was not  
2 in the restriction requirement was any mention whatsoever of the subject  
3 matter that brings us here today to do with this interference. All right.

4       There was never even an attempt to claim in; and, in fact, during the  
5 intervening 15 years, the case was refiled four times just in this priority  
6 chain. The original 82 applications spawned a great many other  
7 applications, so the number of refilings during the 15 years actually greatly  
8 exceeds four. But just in this case, it was refiled four times with many,  
9 many additional claims added, but never ever this subject matter.

10           So the issue is if we take Enzo at its word and say, okay, this  
11 subject matter was fairly and reasonably disclosed in such a way that a  
12 skilled person would have understood that Enzo was in possession of the  
13 invention in 1982, why then did they wait 15 years before even presenting  
14 the claims. Had they presented it originally and there was restriction  
15 requirement and then they elected to prosecute one application and then a  
16 divisional, and a divisional, and a divisional. I think that's fine. People do  
17 that all the time. All right, that's not what happened here.

18           JUDGE TORCZON: So had they filed at least one of these  
19 claims originally and say January of 1983 received a restriction requirement,  
20 canceled the claims and never put them back in until 1997, you would have  
21 been fine. There would have been no problem.

22           MR. GROOMBRIDGE: I'm not sure that it goes that far,  
23 because I think Your Honor's question is to the conventional practice of  
24 doing that. I think that's fine. I'm not sure whether a 15-year hiatus, in fact,  
25 falls within the standard practice. And at some juncture I think our view  
26 would be that even had the claims been presented originally, at some point,

1 a long enough hiatus under the controlling case law, starts to implicate this  
2 doctrine. So, theoretically, I would say that could be possible. I think we  
3 don't reach that issue, because it didn't happen here.

4 All right. And I'd just touch on what we see as the second  
5 source of delay. Now, what happened after 1997? The claims went in and  
6 we see now the demonstrative to the Board's right here -- I guess to the left,  
7 but the rightmost demonstrative. The claims were added in '97. Then for  
8 the next two years, Enzo kept filing supplemental amendments. But I don't  
9 know there's anything terribly unusual there; and, then in May of 2000,  
10 Enzo canceled all of the pending claims and added 1,043 new claims.

11 And the blue bar chart along the bottom shows the number of  
12 pending claims, year-by-year, and the Board will see the 1000 mark. And  
13 the second reason, the subsidiary reason for delay here, probably accounting  
14 for some five extra years, is Enzo's decision to present 1,143 claims.

15 JUDGE TORCZON: Are you referring to your Tab 17?

16 MR. GROOMBRIDGE: Exactly, Your Honor. And simply  
17 putting in that number of claims created a situation in which the process of  
18 getting the claims allowed became cumbersome, difficult and slow. And  
19 again, no explanation has ever been offered for why it was that over a  
20 thousand new claims were necessary.

21 And if we look at this, what Enzo is saying here is, you know,  
22 we prosecuted these applications for 18 years, and then all of a sudden in  
23 the year 2000 that we had omitted to claim more than a thousand items of  
24 patentable subject matter and that we now needed to do so. And that again  
25 we would submit to the Board that's just per se. Without some explanation,  
26 that's just an unreasonable behavior. We note that the Board itself in paper

1 number 1 in the interference characterized this claiming practice; and, I  
2 quote, the claim says being extraordinary in their flagrant disregard of  
3 Section 112, paragraph 5 of patent rule 75. And why did it suddenly  
4 become necessary to have a thousand claims.

5 It is perfectly clear that we could, and in fact if these claims  
6 were ever going to be the subject of any form of proceeding such as this or  
7 an infringement action, it would be necessary to distill down to a much  
8 smaller subset. And I believe what we're talking about now is five  
9 representative claims. That could have happened at any time here, and it  
10 would have speeded up the process. It didn't.

11 JUDGE TORCZON: Rule 75, 35 U.S.C. 112, para. 5, don't say  
12 anything about claim number. They have to do with form and forms of  
13 claims. It doesn't have any restriction on claim number.

14 MR. GROOMBRIDGE: I believe Rule 75 does, Your Honor.  
15 That it says the claim shall not be -- and certainly I don't profess to be an  
16 expert but I believe it says --

17 JUDGE TORCZON: You may be right.

18 MR. GROOMBRIDGE: It says there should not be undue  
19 complexity and I think there was a reference to numbers. But Your Honor  
20 is correct that 112, paragraph 5, talks about multiple dependent forms and  
21 the structure of the claims. Our point really here is by presenting claims in  
22 this inordinately complex and interrelated fashion, a necessary result of that  
23 was that it took some extra period of years, a period that fails by comparison  
24 with the first 15 years, but still not insignificant in the overall scheme of  
25 things. It took some additional period of years to get where we are today,  
26 and those are really the two sources of delay.

1           The reason this proceeding is happening now rather than 20  
2 years ago is because there was a 15-year delay in presenting the claims.  
3 And when they were presented they were presented in a way that guaranteed  
4 it would take three, four or five more years to get through them. And what I  
5 would like to do at this point is turn to why do we believe that this is  
6 unreasonable, the second prong of prosecution laches. And I'd just start  
7 there by pointing out that unreasonable delay under the law need not be  
8 intentional delay, that it is not incumbent upon Cal Tech to prove that Enzo  
9 intended to delay, merely that it was negligent or neglectful in prosecuting  
10 these claims.

11           Why do I say that? In the *Lemelson* case with *Symbol*  
12 *Technologies*, which has been cited in the papers, that exact issue arose.  
13 And in so-called *Lemelson III*, the District Court addressed that and found  
14 that the defendant in that case had not proven that Lemelson intentionally  
15 delayed, but had proven "culpable neglect" in prosecution the claims.

16           JUDGE TORCZON: So this is an objective standard?

17           MR. GROOMBRIDGE: I believe it is an objective standard,  
18 Your Honor, yes.

19           JUDGE TORCZON: So essentially the question then is would  
20 an ordinary practitioner skilled in prosecuting applications view this as an  
21 unreasonable course of action?

22           MR. GROOMBRIDGE: I think that's a fair way to characterize  
23 it Your Honor, yeah. And I just also point out the Supreme Court cases on  
24 this have likewise said that the standard is one of either intentional or  
25 neglectful delay. That's in the *Webster Electric* case and the *Woodbridge*  
26 case. And *Woodbridge* says that an applicant may forfeit his rights as an



1 inventor by willful or negligent postponement of his claims. And so what  
2 we have to show here is simply this standard of negligence in timely  
3 prosecution.

4 Now, if we look again at the two periods of delay here, and  
5 looking at the demonstrative on the farthest left there, we see is what  
6 happened. After Enzo's original 1982 priority date on the bottom there, in  
7 1984 Cal Tech filed its priority document. Then in 1986 Cal Tech disclosed  
8 this to the world in the form of a publication in the general nature of a  
9 prominent scientific periodical. And also in 1986, Cal Tech's licensee  
10 Applied Biosystems introduced the technology commercially. And  
11 thereafter it became widespread and very successful such that by 1995 the  
12 commercial sales had exceeded \$230 Million.

13 And what we see what's going on here, all of this time while  
14 Enzo sits on its rights, this technology is coming into use being developed  
15 by others, being pushed out into the world, and becoming very widely  
16 known. What is not shown on that and in retrospect perhaps I should have  
17 put it on there is that it's in the record here that between 1994 and 1997  
18 Enzo engaged Applied Biosystems in dialog and a series of negotiations  
19 asserting that this technology was covered by another series of patents that  
20 Enzo controlled, namely the Ward patents. And the Board may have seen  
21 references to parallel. But I know the Board has seen references to parallel  
22 in infringement litigation. Those patents were asserted in the litigation,  
23 which recently concluded with the court in Connecticut holding them to be  
24 invalid for reasons that, I think, are probably not germane here.

25 But in the course of those three years between 1994 and 1997,  
26 Enzo came to Applied Biosystems, said: "We think your DNA sequencing

1 technology is covered by the Ward patents." Applied Biosystems said, "We  
2 disagree." There was a dialog, and eventually the matter dropped. We  
3 submit that that also is highly relevant here in looking at Enzo's decision  
4 suddenly to claim this in a different patent family as those negotiations  
5 came to an end. In other words, when we look at what happened here,  
6 there's two ways I suppose that we could look at that delay. One is that  
7 Enzo in 1982 knew that it had invented fluorescent DNA sequencing and  
8 decided I'll just sit around for awhile and let things go along and see what  
9 happens, because it may inure to my benefit commercial, in which case it's  
10 an intentional decision. Or, the other alternative is that Enzo never thought  
11 it had invented fluorescent DNA sequencing, and that would explain why it  
12 didn't claim it. It would explain why we're now talking about a  
13 parenthetical on page 84 being support for a thousand claims.

14 That what happened under this paradigm is that Enzo saw the  
15 development of a lucrative market, thought I'd like a piece of that, went to  
16 Applied Biosystems and asked, we're told your Ward patents do not cover  
17 this and decided to go back and do some mining through their pending  
18 applications, found a fortuitous statement on page 84 and said, "Let's write  
19 some claims to this and see if we can skin this cat another way." By the  
20 way, those are precisely the situations the doctrine of prosecution laches  
21 exists to prohibit.

22 You cannot sit on your rights; and, if in fact, you can't go back  
23 after the fact, 15 years after the fact, and say maybe I can couple together  
24 some support here for a claim that will ensnare that which has been  
25 diligently developed and commercialized by someone else. And the facts  
26 here closely parallel those in the *Lemelson* case. All of those circumstances

1 were present, in which Lemelson had filed priority applications long ago,  
2 never claimed the subject matter that was at issue in the *Symbol* series of  
3 cases, saw others develop it after that had happened, wrote claims,  
4 prosecuted claims, gained their allowance and then sued. All right. And  
5 when we look at that, that is by far the most striking comparison here.

6 I do not, Your Honor, that if Enzo were to succeed in this  
7 proceeding and would actually get claims issued realistically, looking at  
8 things going as fast as they possibly could to get those claims out, they  
9 would have patent coverage that would extent, I think, at least 45 years after  
10 their priority date; and that's getting into territory that is really very, very  
11 unusual. So, we think that the facts here clearly demonstrate that  
12 prosecution laches may be a doctrine, as implication is rare, but it exists for  
13 exactly these circumstances. And if the Board has any questions, I'll be  
14 happy to respond.

15 JUDGE TORCZON: I think I'd like to go ahead and finish up  
16 with the Cal Tech motions, if we can.

17 MR. GROOMBRIDGE: Thank you, Your Honor.

18 JUDGE TORCZON: I assume you're going to want to argue  
19 motion 3. Was there any other one that you were going to specifically  
20 argue?

21 MR. VOIGHT: Your Honor, you expressed an interest in the  
22 one that's the priority gap one for our prior art.

23 JUDGE TORCZON: I think that's motion 3. Was there any  
24 other you wanted to address?

1 MR. VOIGHT: Yes. We have some responsive motions that  
2 may come up if we have time in the response to Enzo's arguments. But no,  
3 there are no other ones we want to argue.

4 JUDGE TORCZON: Okay. Why don't you quickly sketch out  
5 your argument on 3, and let's get to Enzo's case.

6 MR. O'CONNOR: I'll do this as briefly as possible, Your  
7 Honor. The facts and the relevant regulation are relatively straightforward.  
8 And we're dealing with two petitions to revive for unintentional delay. One  
9 which was filed in Enzo's '772 application, which is the parent to the  
10 involved case, and the second, which was filed in the involved case. At the  
11 time they were filed, petitions to revive for unintentional delay, under the  
12 interpretation that PTO had of the relevant regulation, which is 137(b),  
13 required that the entire delay, including any delay in filing the petition was  
14 unintentional. And Cal Tech submits that that is indeed not what happened  
15 in this case and that there were facts before the petition examiners in both  
16 cases, which establish that there was an intentional delay between when Cal  
17 Tech's patent counsel received notice of the abandonment and then filed a  
18 petition.

19 JUDGE TORCZON: What's the evidence of the intent?

20 MR. O'CONNOR: The evidence of intent comes from the  
21 notice of abandonment, which was submitted as an exhibit to the petition in  
22 each case. In the '772 application, the petition has a date-stamp on it. The  
23 petition was mailed on June 9, 1994. The date stamp showed that it was  
24 received by Enzo's counsel on June 13th. The application had gone  
25 abandoned on the 4th of February '94. The petition to revive was filed on  
26 the 3rd of February, 1995. At the time Rule 137(b) had a one-year

1 limitation in it. So, if you're application went abandoned, you wanted to  
2 revive for unintentional delay, you had to get your petition on file within  
3 one year.

4 But the Official *Gazette* notice, which is cited in the papers and  
5 in addition an MPEP notice clearly indicates that parties were not supposed  
6 to use that one-year period to delay filing their petition. The petition was  
7 supposed to be filed promptly.

8 JUDGE TORCZON: The only evidence in both cases, because  
9 both have similar facts, is the time -- the timeline.

10 MR. O'CONNOR: They do, Your Honor. That's correct.  
11 That's correct. 235 days lapsed in the case of the '772 petition. I think it  
12 was 246 in the case of the '069 petition.

13 JUDGE TORCZON: In both cases the petition was granted.

14 MR. O'CONNOR: That's correct.

15 JUDGE TORCZON: So the thesis of your motion is that the  
16 director erred.

17 MR. O'CONNOR: The director had facts before them in  
18 deciding on the petition, which indicated that the delay was intentional.  
19 They deliberately used up that one-year period and despite that evidence  
20 before the petitions examiner, they decided to grant the petition anyway,  
21 which was contrary to how the PTO was interpreting the regulation.

22 JUDGE TORCZON: But the bottom line is that the petitions  
23 examiner was satisfied. So we would have to essentially find that the  
24 petitions examiner failed to do his or her job.

25 MR. O'CONNOR: You would have to find that the petition  
26 examiner, if the decision to grant the petition was contrary to the evidence

1 before the petitions examiner in view of how the PTO was interpreting the  
2 regulation.

3 JUDGE TORCZON: That's masterful sugar-coating, but the  
4 bottom line is we would have to say the petition examiner failed to act.

5 MR. O'CONNOR: Yes, Your Honor. That would be the way  
6 to express it.

7 JUDGE TORCZON: Okay. Are you aware of any case where  
8 the Board has ever done that?

9 MR. O'CONNOR: The Board, no. District Courts have, and  
10 we cite one case in our opening motion, which is the Fields hybrid case.  
11 There was another case which came out in the summer, I think it was in  
12 June. And it cited *NYU v. Auto*. And in both cases, the grant of petitions to  
13 revive was reversed, because there was evidence of delay.

14 JUDGE TORCZON: I think you make reference to the  
15 scenario in the laches motion as well.

16 MR. O'CONNOR: There was an issue, Your Honor. I don't  
17 know if you're referring to the laches motion or our discovery motion,  
18 because we had filed a motion to request discovery relating to this issue.  
19 And as part of that we noted not necessarily in the chain leading to the  
20 involved case, but in the family more broadly, there had been eight  
21 unintentional abandonments and revivals. And Your Honor commented on  
22 that in an order.

23 JUDGE TORCZON: This seems like a bolstering in laches to  
24 me. It convinced me that that's an unfair characterization. It just seems like  
25 a part of a laches argument.

1 MR. O'CONNOR: Well, I've been working as a patent attorney  
2 for about 11 years now, and I've done a lot of prosecution. I haven't had any  
3 cases go abandoned unintentionally, fortunately. To have eight in one  
4 family seems a bit unusual. And you have to wonder if perhaps its a part of  
5 a pattern. And the part of the pattern would be it allows you to delay.

6 JUDGE TORCZON: Is that a pattern of neglect or a pattern of  
7 intent, or both in your opinion?

8 MR. O'CONNOR: In our opinion, it's a pattern of intent. It's  
9 hard to figure out how it is in the case of these two petitions, for example,  
10 that they got filed, you know, right at the tail end of the one-year period  
11 permitted by the regulation, rather.

12 JUDGE TORCZON: That's the designed docketing system.

13 MR. O'CONNOR: Well, perhaps misunderstanding of the rule.  
14 Perhaps thinking that because the rule says you have to file it within one  
15 year of the abandonment, that means okay, I have a year, and therefore I'll  
16 docket it for a year, which be an intent. That's an intentional act. But the  
17 guidance from the *Official Gazette* and the guidance in the MPEP, and there  
18 was also an earlier case, *In Re Application of Hesse*, which is cited and  
19 quoted in our reply, clearly advises practitioners that you are not to use that  
20 one-year period basically as an extended extension of time. All right, well, I  
21 think we are ready to hear from Enzo at this point. Thank you.

22 JUDGE TORCZON: All right, well I think we are ready to  
23 hear from Enzo at this point. Thank you.

24 MR. SCHULMAN: Okay. Just in terms of the logistics, I  
25 would expect you would just want me to go in the same order and perhaps  
26 address each of the motions in the order, which opposing counsel brought

1 them up, and to give you basically our thoughts on the things that they said.

2

3 JUDGE TORCZON: If you would, and then address your  
4 motions after that.

5 MR. SCHULMAN: And then we can address our motions after  
6 that. Okay. Well, let's start with the particular written description issue  
7 which they raised initially. Unlike the laches and the 135(b), I mean, I think  
8 you, the Board, are very, very familiar with written description practice.  
9 And this probably requires a little bit less of a give and take between us in  
10 terms of understanding what the issue is here and what's exactly going on.

11 I would simply just make a couple of points with respect to the  
12 arguments that have been made by opposing counsel. First of all, there  
13 seems to almost be a confusion between the laches issue and the written  
14 description issue that I keep hearing, which is if they invented this, why  
15 wasn't it claimed here. And as the Board well knows, a written description  
16 is a question of fact and it's based on whether the specification would have  
17 reasonably conveyed possession of the invention to a person skilled in the  
18 art at the time the invention was made.

19 That's an objective inquiry saying take the eyes of a person  
20 skilled in the art, look at the specification as presented, and make that  
21 calculation as to whether the invention you're claiming is reasonably  
22 conveyed or not. But I keep hearing when they talk about written  
23 description, we lay in wait. We didn't claim it. If we had thought we'd  
24 invented it, why didn't we claim it. Obviously, arguments that are being  
25 entertained with respect to the laches motion, but not arguments that are  
26 particularly relevant with respect to written description.

8



1 JUDGE TORCZON: Actually, I'm not sure I agree with that.  
2 It seems to me that it's inherent in a written description argument that there's  
3 an element of laches, an idea that you didn't really describe what you're now  
4 claiming. So there is this disconnect between the now and the then.

5 MR. SCHULMAN: I understand your point, but I think the  
6 difference is more sort of laches is clearly very intertwined with intent and  
7 bad intend. And also in looking at my --

8 JUDGE TORCZON: I agree that we don't have to get--

9 MR. SCHULMAN: Redescription is strictly what does the  
10 document say and does that show you possess the invention.

11 JUDGE TORCZON: But by analogy to enablement, which  
12 also goes to what is in the specification as the Enzo Cal case where the  
13 failure of Enzo to implement. I may have the parties backwards here, but  
14 the failure of the patentee to implement what they'd been claiming was  
15 taken at some evidence, perhaps on dispositive, but some evidence that it  
16 wasn't enabled, or at least for the scope of what was then being claimed.

17 Why doesn't the analogy hold here. Whatever they disclosed,  
18 they didn't appreciate that they'd disclose something that suggested an  
19 invention.

20 MR. SCHULMAN: Well, because I think in the enablement  
21 situation, you get into the Wands factors. And I think when you get into the  
22 Wands factors you start getting into some more intent type things, or more  
23 what were you able to do type things. I'm out in the market as opposed to  
24 written description.

25 JUDGE TORCZON: But you're seeing their intents are  
26 relevant because this is a purely objective question.

1 MR. SCHULMAN: In terms of our written description,  
2 obviously their behavior is quite relevant as you pointed out with respect to  
3 laches, because it's that equity issue. But with respect to written  
4 description, yeah. What they were doing is actually quite irrelevant with  
5 respect to whether our application provides an adequate description. And I  
6 think that's absolutely true. Again, I'm not going to spend too much time on  
7 the written description, because I think this is such a well-established area.

8 JUDGE TIERNEY: I'd like to get understanding here. There's  
9 approximately about 750 claims that are pending, give or take. Is that  
10 correct?

11 MR. SCHULMAN: Well, it varied during the course of the  
12 prosecution.

13 JUDGE TIERNEY: Well, how many do we have right now is  
14 what I'm asking.

15 MR. SCHULMAN: Well, what we've done right now is we've  
16 cut it down. I don't remember the exact number. I think it's 40 something.

17 JUDGE TIERNEY: Well, how many total pending claims are  
18 there. Have you canceled and fall back down to 40?

19 MR. SCHULMAN: The total right now, I mean, there are  
20 several hundred, obviously. But I can't.

21 JUDGE TIERNEY: Just looking at their chart, it showed about  
22 750, that's why. All right, so we're talking several hundred claims.

23 MR. SCHULMAN: We're talking several hundred. No one's  
24 going to disagree that we're talking several hundred claims.

25 JUDGE TIERNEY: Do you have literal support for any single  
26 claim out of that several hundred? And, if you do, can you direct me to it?

1 MR. SCHULMAN: I would have to actually look through the  
2 claims and be able to tell you. Like in *ipsus verbis*, absolute literal support  
3 for those claims, I'm not able to answer that question off the top of my head.

4 JUDGE TIERNEY: What your opponent has done is they  
5 pointed to page 84, and there's a single, two-sentence blurb about the  
6 sequencing, if we can even call it that. And we have several hundred claims  
7 that appear to be directed to sequencing. I'm having a disconnect there.

8 If you have several hundred claims and it's all reliant upon this  
9 ambiguous statement, I'm trying to figure out how that's described such that  
10 there's possession for these several hundred claims. And just give me a  
11 quick overview on that.

12 MR. SCHULMAN: Sure, no, I understand.

13 Well, first of all, I think that there's no question that Enzo has  
14 been quite willing to reduce the number of claims. And we're going to get  
15 into this in the laches issue, but this was a rather complicated prosecution.  
16 And again, jumping the gun a little bit, but I participated in the last seven  
17 years of it, and it was meet the examiner. Examiner makes suggestion; put  
18 in suggestion; and examiner say no, that doesn't do it. Now you've got to do  
19 something else. And so that was part of the history of this. But, obviously,  
20 to the extent that concern has been expressed with respect to the number of  
21 claims, we've reacted instantly when that concern ha been expressed.

22 JUDGE TIERNEY: My concern is that you've been able to  
23 found numerous claims, and we're trying to find one that's literally described  
24 or clearly described, such that there's possession. I mean, we have so many  
25 permutations. I would think that there was one claim that you could focus

1 me in on and say, look at this one claim. Compare it to the spec, and it's  
2 clear that it was possessed by the inventors.

3 MR. SCHULMAN: Well, because, and someone will correct  
4 me if I'm wrong, but because all of the claims recite the steps that relate to  
5 sequencing, all the detection or to sequencing, or because they all had the  
6 steps played out and we've been very up front from the get-go that the  
7 particular source of the actual steps for which the aligonucleotides were  
8 used are found by reference to what was done in the art.

9 So the answer to your question in terms of the physical steps  
10 that are used in carrying out the sequencing is that there would not be an  
11 *ipsus verbis* support for those steps.

12 JUDGE TORCZON: Would you agree there was no literal  
13 support?

14 MR. SCHULMAN: No literal support for those steps. Correct.

15 Just a couple more points on the written description issue. One  
16 of the things that you keep hearing is oh, there's only one parenthetical at  
17 page 84 that discloses anything about sequencing at all. And even in that  
18 parenthetical, it doesn't really relate to sequencing. And we're given a  
19 couple of reasons why it doesn't relate to sequencing. One is while  
20 sequencing gels can be used for all kinds of things other than sequencing.

21 Well, certainly the principal use, and even their own expert  
22 acknowledged this, the principal use of a sequencing gel is for sequencing.  
23 Another thing that we are repeatedly told is that even when you look at that  
24 passage on page 84, when you look at that sentence that proceeds the one  
25 with the parenthetical referring to the sequencing gel, it talks about  
26 monitoring the nucleic acid hybridization reaction. And that puts it in

1 context and indicates that the sequencing gel couldn't have been used for  
2 sequencing. Rather, it must have been used for when you form these  
3 duplexes, because obviously you can take label probes. You can take those  
4 and hybridize them to something that you're looking for and then that tells  
5 you whether something is or is not present.

6           So one of the points we've been continually reminded of is,  
7 well, that's what you must have been doing. You must have been using the  
8 sequencing gel in the context of forming these probe duplexes. The only  
9 problem with that argument is everybody has acknowledged, including their  
10 expert, that sequencing gels, whether they're used for sequencing or these  
11 other minor uses, all are denaturing. And what does a denaturing gel do? A  
12 denaturing gel breaks up duplexes and forms them, denatures them. And  
13 you go back to the single stranded. So think about this. I've got my sample.  
14 I want to determine if something is present in my sample, so I've got a lot of  
15 nucleic acid material in that sample. So I put in my label probe, and by that  
16 probe hybridizing to something that's in that sample.

17           That's going to tell me whether it's present. Okay, now let's put  
18 it on a gel to resolve. So I've got my sample with lots of things I don't want  
19 and one thing I do want. I've got my label probed. It's now hybridized it.  
20 Now I've got resolve it in a gel and see what I have. Let's put it on a gel  
21 that's now going to break it up, and I'm going to have no way to tell whether  
22 the thing I was looking for and the whole thing was used for is present in  
23 that sample or not. It's absolutely non-sensical that you're forming a duplex  
24 for the purpose of singling something out and then immediately putting on a  
25 gel, which the first thing it does is break it up so you can no longer

1 distinguish the thing you were trying to single out from all the other things  
2 that were present in that mixture.

3 So when they keep trying to tell you that the sentence  
4 preceding the one referring to the sequencing gel is a context shows that it's  
5 still the hybridized duplex as they were talking about, that would make  
6 sense to anybody scientifically. And we have expert testimony to this effect  
7 from our own expert, and that testimony has never been repudiated. So, it's  
8 simply what make sense. The other thing they keep trying to tell you is that  
9 this is the only passage where there's any type of reference to this thing, but  
10 that's not the truth at all.

11 You've got to remember, we're in 2007 now. This application  
12 was filed in 1982. In 1982 this stuff was absolutely at its infancy. And  
13 what was very important to us was two things: figuring out the chemistry,  
14 which, by the way, we did and they didn't; and number two, after figuring  
15 out the chemistry, figuring out that this chemistry could be used in a  
16 sequencing method, where you didn't need detection of radioactive, which  
17 has obvious disadvantages.

18 JUDGE TIERNEY: Technology is in its infancy. Don't you  
19 have a higher need for describing your invention in detail so that you  
20 demonstrate possession?

21 MR. SCHULMAN: You absolutely do. And the thing that was  
22 the problem in 1982 was the chemistry. The thing that was the problem was  
23 figuring out, having the chemistry and then making the connection, which  
24 we were the ones who made that with that chemistry using fluorescent  
25 labeling on the aligonucleotides, that you could use it in the sequencing  
26 techniques that were known to be applicable to radioactive.

1 JUDGE TIERNEY: Where is the statement in the specification  
2 that says just what you just said?

3 MR. SCHULMAN: The specification is replete with  
4 references to using the single-stranded oligonucleotides that are labeled for  
5 detection purposes. And it probably is not a constructive use of our time for  
6 me to go through those with you right now. We've cited in our paper. But  
7 we talk consistently about detection.

8 Another thing that's kind of interesting, and this goes to Enzo  
9 as a troll argument that we keep seeming to hear, and I'll get into this a little  
10 bit later, is we had claims from the get-go that covered sequencing. And  
11 we'll talk a little bit about this later in distinguishing the *Symbol* case. Our  
12 originally filed claims had a single strand with a label that absolutely 100%  
13 would cover DNA sequencing.

14 So when we keep and going to your point, Judge Torczon, well  
15 to the extent that these factors are relevant, it's not like we were sitting there  
16 lying in wait waiting for somebody to develop something, and then pounce.  
17 Let's put in some claims that are going to cover them. We had claims from  
18 day one that absolutely would cover DNA sequencing. And that's in the  
19 original application. So to the extent that you believe, or the Board  
20 believes, that that intent element plays a part in the written description, I  
21 think it's a specious argument.

22 Unless there are any other questions on written description --

23 JUDGE TORCZON: I think you can go on.

24 MR. SCHULMAN: I can move on to the other arguments?

25 JUDGE TIERNEY: Yes.

1 MR. SCHULMAN: Unfortunately, you only get one of me.

2 We don't have a group of people.

3 JUDGE TIERNEY: You could have Mr. Voight present you  
4 arguments.

5 [Laughter.]

6 MR. SCHULMAN: He'd probably do a better job. Just let me  
7 get my papers here. Okay.

8 So the second issue that we are going to talk about is the issue  
9 under 135(b), the statute of repose. An the Board is well familiar with the  
10 language of that statute, and as I think you pointed out, Judge Torczon, it  
11 seems to be one of your favorite statutes to address in interference  
12 proceedings right now.

13 JUDGE TORCZON: Actually, I don't think I ever said that,  
14 but it's one that we seem to have to address frequently.

15 MR. SCHULMAN: Okay, top in the hit parade, or whatever.  
16 Okay. So let's talk about the applicability of this. One of the things that  
17 struck me initially when we received this motion, and you did point this out,  
18 about two law firms that obviously are both very well knowledgeable in the  
19 area of patent law, not a single case has been cited by opposing counsel  
20 where the Board ever has taken a non-involved patent and used that non-  
21 involved patent as a basis for granting repose under 135(b).

22 We certainly looked, assuming that my opposing counsel  
23 looked, and I think the fact that they were unable to cite even a single case  
24 to you where that has happened actually speaks volumes. And it clearly is  
25 something that has not been done before.



1 JUDGE TORCZON: It seems to me though the Strelchenko,  
2 Berman question, whether it's a threshold issue is largely a procedural one.  
3 Because even if it's not a threshold issue, it still affects patentability. So,  
4 even if it's not a threshold issue, it seems that its a basis for granting repose,  
5 if it's actually at bar.

6 MR. SCHULMAN: Well, first to your point on the threshold  
7 issue, and I think you pointed this out previously, you have a very short  
8 menu in your rules about what a threshold issue is, and we all know what  
9 they are, you know, 135(b) interference in fact and written description. And  
10 the other thing about it is that the Board rule 201 makes it very clear that  
11 when you have threshold issues they are show-stoppers. And I think what  
12 we have in this particular situation is we have this statute 135(b)(1) and I  
13 personally reading it think that it clearly has to be the involved patent.

14 But, admittedly, the statute does not say it has to be the  
15 involved patent. So, obviously, they're taking the position it doesn't have to  
16 be the involved patent. We're taking the position. It does have to be the  
17 involved patent and the statute does not say whether it does or doesn't. So  
18 now it's left to you to decide whether that statute can apply to a non-  
19 involved patent or not.

20 JUDGE TORCZON: Okay, but isn't it at least implicit in Cal  
21 Tech's argument, and I think also perhaps in some of Judge Tierney's  
22 questions, the interference was just improperly declared. The second patent  
23 should have been there, in which case doesn't the whole question disappear?  
24 I mean, I understand Mr. Voight reticence to put is patent on the line, but  
25 couldn't we just fix the problem at this point by redeclaring and saying the  
26 patent should have been there the whole time?

1 MR. SCHULMAN: Well, and our response to that is that the  
2 patent does relate to an independent or distinct invention and should not be  
3 there. And you're wondering, well why didn't -- you know, Mr. Voight  
4 made the point: well we didn't feel the need to do anything to bring it in,  
5 because it could be a loss of rights for us and it was incumbent upon Enzo  
6 to bring it in if they thought they needed to bring it in. And we obviously  
7 didn't do it because we don't think the invention of the earlier patent is the  
8 same. We agree with the examiner.

9 We agree with the fact that when they "traversed" it, they did  
10 that old undue burden type thing and didn't really traverse it on the merits,  
11 which we all do. And we all did in our practices before the law changed. I  
12 mean, I did it for 20 years, because I've actually been practicing for 25,  
13 which makes me feel rather old. I've got to tell you. But I think something  
14 Mr. Voight said that really struck me, and I thought spoke volumes about  
15 why they didn't want to do it. And frankly it's absolutely no mystery why  
16 they did not want to bring this patent in, because they have two different  
17 bundles of rights here.

18 I mean, and this again distinguishes the *Berman v. Housey*  
19 case. You know in the *Berman v. Housey* case, it was admitted by both  
20 parties that all three cases were completed related and they were the same  
21 invention. Nobody was even disputing that. And, guess what? In all three  
22 cases, they also were terminally disclaimed in view of each other and all  
23 expired on the same day. This is a very interesting scenario. It's absolutely  
24 no mystery why they didn't want to bring this in, because they have seven or  
25 eight more years of patent protection that's going to be given them. So what  
26 they're essentially trying to do is they want two reposes for the price of one.

1 They want to have their cake and eat it too. And the point is that they've  
2 got a bundle of rights and every patent has two bundle of rights to go with  
3 it. It's got a vertical bundle of rights and it's got a horizontal bundle of  
4 rights. The horizontal bundle of rights is the scope of the claims. The  
5 vertical bundle of rights is the term of that patent, and those terms have been  
6 used in various court cases.

7 So what do they have here? Well, they have patent number one  
8 with a first bundle of rights expiring at a first date than a patent that issues  
9 eight years later with a second bundle of rights, because it expires vertically  
10 eight years later. Of course, they don't want to bring it in. Of course, they  
11 don't want to lose that term.

12 JUDGE TORCZON: We've never held that the protections of  
13 121, paragraph 4, prevent us from having claims correspond in an  
14 interference. I mean, the questions are different. The standard for having a  
15 claim correspond is different than the one the examiner uses to say, "these  
16 should be examined separately." So, I'm not sure I understand why that  
17 should make a difference.

18 MR. SCHULMAN: Because the whole point of 135(b) is to  
19 tell a party, look. After you get a patent with this bundle of rights, you're  
20 entitled after a year not to have to worry about someone coming after you to  
21 go after that bundle of rights. That's why it's called a statute of repose. And  
22 the point here is that when we're talking about their two patents in this  
23 particular situation, we're not talking about the same bundle of rights.

24 Look, they got their repose on their first bundle of rights. We  
25 acknowledge we could copy their claim on that system that's in there and try  
26 to go after them. They've got what they want and they can relax and they

1 would have full repose. What they don't have, however, for this separate  
2 bundle of rights is a second repose. Again, they're trying to get two reposes  
3 for the price of one.

4 The other thing I could tell you is, well, I agree with you  
5 completely about the Board not being bound by those kinds of decisions of  
6 the examiner. We all know what would have happened if in the early 1990s  
7 I tried to present my method of sequencing claims against their claims that  
8 were directed to a system. I mean, and I've been doing this business for 25  
9 years, and I've been provoking interferences for as long, almost. And, I  
10 mean, I would have been laughed out of the examiner's office if I tried to do  
11 that. I would not have succeeded if I had tried to use my claims, and they  
12 wouldn't have been involved because it would have been an ex parte type of  
13 thing.

14 But, you certainly know that one of the very first motions that  
15 would have been made if the interference got declared would have been a  
16 no interference in fact saying, "look. The examiner held that they're  
17 independent or distinct, because, the first patent claimed a system, the  
18 system had a gel in it." The examiner said, "I can look at this type of  
19 medium and I think it can be applied for other things." The examiner did  
20 the traditional, materiality type of issue. It can be used with a materially  
21 different type of process, and properly we think disregarded process  
22 limitations in a system claim. Yeah, they mention what the system is for,  
23 but anybody who is an examiner knows that when you're looking at product  
24 claims, generally saying what they're used for isn't going to help an  
25 applicant a whole lot if the elements of the prior art are all matched up.

1 So the point is I don't think it would have been possible for us  
2 to get into that anyway. So, you know, those are a couple of the reasons at  
3 least from a policy point of view why we just simply think 135(b) repose  
4 should even be here. I've already touched a little bit on the substantive  
5 aspect of it also. It was subject to a restriction. The examiner said in the  
6 restriction that there was a materially different use, and they did not on the  
7 merits oppose that restriction.

8 A final point on that is this oft-cited *Berger* case. And there's  
9 something about that case that really disturbs me. The Federal Circuit really  
10 kind of stuck it to us, and the reason they stuck it to us is because *Berger*  
11 tells us one thing that's really, really clear. It says, well, we know that  
12 substantially the same subject matter for purposes of 135(b) is not the same  
13 as obviousness, or like what we'd say, interference in fact under the two-  
14 way test. And so, which pretty much dispelled 20 years of my thinking and  
15 basically everyone else who practiced in interferences too. Okay great  
16 Federal Circuit, you told us this. We now know substantially the same  
17 subject matter is not the same as obviousness. But then what they did was  
18 the didn't tell us what the test is. And we looked at all of your cases and you  
19 have not ruled on whether that standard of materiality as set forth in the  
20 *Berger* test is a stronger test or a weaker test than the obviousness test. So  
21 nobody really knows, and there's absolutely no case on the point. So what  
22 do we have to do here? We have to sort of plow some new ground. And the  
23 only thing we can do is try to look at what the Patent Office has done in  
24 similar situations using similar terms.

25 Well, coincidentally, what sort of happens here is we have the  
26 standard for restriction and for finding inventions independent or distinct,

1 which by the way uses the word material differences. Now, can I tell you  
2 that when the Federal Circuit issued the Berger case they had that in mind  
3 when they said, substantially the same subject matter means no material  
4 difference? Of course I can't tell you that. But the only thing we have to  
5 look at is language and how it's been used in other context, because we don't  
6 have a case.

7           And I think that it makes it fairly clear that in other instances  
8 when the Patent Office has used terms like material, it's been used for  
9 example in a restriction type context. It's set forth in detail in MPEP  
10 Chapter 800. It's set forth in detail in the restriction requirement which was  
11 issued in this particular case. So on the substantive level, even if you were  
12 allowed to bring a non-involved patent in this interference, it would be our  
13 position that it does not satisfy the particular standard we're enunciating.  
14 That it is materially different, that the system set forth in the first patent is a  
15 materially different invention as opposed to the method in the second. And,  
16 therefore, they're not entitled to repose under 135(b).

17           JUDGE TORCZON: Let's assume for the sake of argument  
18 that this is a perfectly good barring patent. What's your argument on the  
19 substance? Give me some of your argument on the substance about why it's  
20 not barring.

21           MR. SCHULMAN: Well, I think you need look no further  
22 than their own expert, Dr. Gold, who pointed out that many times and has  
23 been discussed again by opposing counsel that a sequencing gel has all  
24 kinds of uses that are quite different from just doing sequencing. And that  
25 falls right in exactly to what we're talking about with respect to what  
26 happens in a restriction requirement. What happens when examiners decide

1 can this gel and this system that's being claimed in this first patent be used  
2 for a materially different process than the method of sequencing that's  
3 claimed in the later process. And, look, the examiner made this rejection. It  
4 wasn't traversed. They have not filed a terminal disclaimer.

5 We all know why they didn't try to bring that patent into this  
6 particular interference, and, I mean, this might be a rare instance we're of  
7 universal agreement among everybody here, I mean, in terms of what  
8 people's actions have been. These are two different inventions based on  
9 121, and they cannot therefore on the substance of it based on the testimony  
10 of their own expert, and based on the record in the prosecution history, it  
11 simply can't be reconciled with the position that they're entitled to repose.

12 As I also told you, it makes no sense from a public policy point  
13 of view, even acknowledging the silence of the statute on an involved or  
14 non-involved. And then the final point is the one I talked about earlier,  
15 which is threshold issues are show-stoppers. And, your own rule says that  
16 when you're looking at a threshold issue like that, and here's the statement  
17 right out of Board rule 201.

18 JUDGE TORCZON: Well, I think we've got a good handle on  
19 the threshold issue. And I think the reason the statutes are involved or not is  
20 because it can be used as an ex parte rejection too, *In Re McGreary*. So that  
21 can't be. The threshold issue is sort of a separate question from what I'm  
22 trying to address now, and that is on the substance assuming that this is a  
23 patent that the examiner presented as a 135(b) bar. We'd like to focus on  
24 your substantive argument on that at this point.

25 MR. SCHULMAN: If the examiner had presented it as a  
26 135(b) bar, I would have said, well, I think the answer is relatively

1 straightforward. I would say that on the substance of it and for some of the  
2 reasons I've already discussed, that the method of sequencing that I'm now  
3 claiming, is a different invention under the *Berger* standard, the materiality  
4 standard. And, therefore, they are not entitled to repose, because I'm going  
5 after claims now for a patent that is simply under the *Berger* standard, the  
6 materiality standard, related to a different invention. And I would cite the  
7 fact that these gels can be used for other things. And I would cite a lot of  
8 the rationale used by the examiner.

9 JUDGE TORCZON: Part of the point of this dialog is to try to  
10 shape up the decision we're ultimately going to write. What, if anything, do  
11 I do with the timeliness of the claims? I mean, is Enzo contending,  
12 assuming this is a perfectly legitimate 135(b) reference, do you have a  
13 timely claim?

14 MR. SCHULMAN: Well, their claim was directed to the  
15 system. We first presented claims directed to detection in 1990. And my  
16 answer is, I mean, I'd have to look at it. That's not a question I thought  
17 you'd ask me, but I can tell you that we were claiming detection methods.  
18 And, by the way, their claim 1 in their patent is a detection method, not a  
19 sequencing method. So I would tell you that, yeah, I think we would have  
20 claims, but I'd have to verify that.

21 JUDGE TORCZON: I think we're ready to move on, if you  
22 are.

23 MR. SCHULMAN: You're ready to move on? Okay. The  
24 next one's my favorite one.

25 I guess just one point I'd like to discuss initially that you and  
26 Mr. Groombridge discussed when he was up here on the laches issue about



1 the threshold issue, and I think it's pretty clear that again you have that short  
2 menu of three things that constitute a threshold issue, and certainly  
3 prosecution laches, is not under the interference rules at least considered a  
4 threshold issue.

5 JUDGE TORCZON: It's expressly an inclusive list, not an  
6 exclusive list.

7 MR. SCHULMAN: Understood.

8 JUDGE TORCZON: And free to change your mind on that  
9 point -- try to get another novel theory.

10 MR. SCHULMAN: I know.

11 JUDGE TORCZON: So, let's talk about laches. It seems to me  
12 that there are at least two late-claiming kinds of doctrines that are built into  
13 priority contests. There's explicitly in 1 and 2(g) there's the idea of  
14 abandonment to pressure concealment. If you did that, you can't come back  
15 later and claim it. And then we've got the late-claiming problem that comes  
16 up in 135(b). So the idea that late-claiming is somehow a central concern  
17 and priority contest seems pretty natural. Why shouldn't laches be part of  
18 that?

19 MR. SCHULMAN: Well, there are several reasons I can  
20 discuss. I basically have two arguments to discuss with respect to that  
21 question. The first one is the procedural issue on your authority as a Board,  
22 and the patent office's authority as an agency subject to the APA to even  
23 rule on this. Outside a very limited context to a finding of the *Busey* case.  
24 And, then secondly, I would make the argument that even if you do have  
25 that authority that that authority is not properly exercised in this particular  
26 situation. So maybe I'll start with the procedural issue first in terms of your

1 authority. Oh, I don't want to take your authority away, but just in terms of  
2 what's actually going on in the case, I think it's an important discussion that  
3 we have to have.

4 The first point is -- no one can deny this -- there's no express  
5 authority in the statute for you, the Board, to rule on a laches issue. It's not  
6 like 102, 103, 112, and all the other things that we talked about. This is  
7 obviously something that's judicial or created. It's not something that's  
8 express.

9 JUDGE TORCZON: That's true, incidentally, for inequitable  
10 conduct as well, right?

11 MR. SCHULMAN: Although you do have Rule 56 in the  
12 Patent Office rules, which is more codified.

13 JUDGE TORCZON: Well, it's simply a rule though. So if  
14 we're going to administrative agency power--

15 MR. SCHULMAN: But you have a rule subject to notice and  
16 comment rulemaking that's codified in Rule 56.

17 JUDGE TORCZON: Well, except the court in *Merck* said we  
18 don't have any substantive rulemaking authority, at least with respect to  
19 substantive patent law. So that can't be. There is no formal rulemaking out  
20 there. It's just a procedural rule.

21 MR. SCHULMAN: Right. Well, I think again we agree on  
22 that issue that there's nothing express. So then it comes down to what's  
23 implied. And that's where I think we start getting into the *Bogese* case,  
24 because that's obviously the very important case that talks about the PTO's  
25 authority in this issue. And I'm going to read you a quote that actually  
26 comes out the *Bogese* case which you've probably heard before.

1           And that is the PTO has inherent authority to govern procedure  
2 before the PTO, and that authority allows it to set reasonable deadlines and  
3 requirements for the prosecution of applications. To be sure, an  
4 administrative agency cannot impose a penalty or forfeiture without  
5 providing notice. Here, *Bogese* does not claim that he was not provided  
6 with notice of what the PTO required of him, or the potential consequences  
7 non-compliance. This also is consistent with the decision at the Board of ex  
8 parte hold, which says a rejection on the basis of laches without prior  
9 warning in a proceeding allowed application is inequitable.

10           And so, I think you have a fundamental problem here, and that  
11 is that you as an administrative agency have been told by the court that if  
12 you want to make a laches rejection, you under the APA have to give an  
13 applicant notice before you can do that to us. We never had notice here.  
14 And, look. One of the things Mr. Groombridge pointed out was Rule 75  
15 and Rule 75 talking about not presenting too many claims. So, it's not like  
16 an examiner could not have said something to us at some point.

17           We also know in Chapter 700 of the MPEP there's a rejection  
18 for undue multiplicity. So it's not like the tools were not already completely  
19 available to the examiner. And here's the other real big problem from an  
20 equitable point of view. You know, the day I file a patent application the  
21 prior art is fixed. I filed my application. There's the body of art that exists  
22 the day I file my application. And the only thing that could happen to me  
23 during my prosecution is maybe the Patent Office finds some new art that  
24 they didn't know about initially, and then they reject me, but still based on  
25 what was there. There's a real fairness problem here, because laches is

1 created during the course of prosecution. And this is what happened in the  
2 *Bogese* case.

3 The examiner said, "I'm drawing a line. You've been filing all  
4 these continuations, and I'm telling you. You do one more continuation and  
5 I'm going to hold you to it and I'm going to give you a laches rejection."  
6 And that's what happened in *Bogese*. And the problem we have here is what  
7 opposing counsel is trying to do, and we were considering, is telling us that  
8 at some point -- I don't know. Was it 1989? Was it 1992? Was it 1997? I  
9 don't know. But at some point we presented too many claims. We filed too  
10 many continuances. We did something, and the line should have been  
11 drawn. The only problem is, and unlike *Bogese*, you're going to tell us 10  
12 years after you think we crossed that line.

13 JUDGE TIERNEY: Let's just take a very simplistic viewpoint,  
14 and I'd like to hear some comment. 102(g) clearly says you're not supposed  
15 to suppress your invention.

16 MR. SCHULMAN: Right.

17 JUDGE TIERNEY: I'm looking at, I guess it would be chart  
18 from Tab 17 of your opponent's handouts today, and I see a 15-year time-  
19 lag, no claims to sequencing for 15 years. Why isn't that evidence of  
20 suppression?

21 MR. SCHULMAN: Okay. Well, of course, the suppression  
22 cases say that you avoid suppression if you file something in a patent  
23 application. It doesn't actually say you have to claim it, but if you look at all  
24 the abandonments, suppression or concealment cases on 102(g), you have to  
25 take actions to bring your application out, you know, to bring the invention  
26 out. And we clearly did that.

1 JUDGE TIERNEY: But again, this goes in with the laches,  
2 that you were delaying prosecution for 15 years. You're suppressing the  
3 prosecution. I think they go hand-in-hand. That's what I'm saying.

4 MR. SCHULMAN: Well, that again, that goes to the  
5 substantive part of the discussion, and I could jump to that now if you'd like  
6 me to jump to the substantive part.

7 JUDGE TORCZON: I want to finish off on the process, first.  
8 Both *Bogese* and *Hull* are explicitly in ex parte context. And I understand at  
9 least part of your substantive argument that we'll get to in a minute is to the  
10 extent we did something wrong. The PTO aided and abetted us the whole  
11 way along. What's different here is we're in an inter-parties context. And I  
12 understand your point about fairness, but that's what laches is all about. It's  
13 an equitable argument, so even if we decided there was misconduct, we  
14 would have to be an engagement of balance.

15 But as I understand Cal Tech's argument, they're not saying you  
16 were being unfair to the examiner or the director. They're saying you're  
17 being unfair to us and the public.

18 MR. SCHULMAN: Right.

19 JUDGE TORCZON: So why doesn't that take us past the  
20 procedural requirements in an ex parte context?

21 MR. SCHULMAN: I mean, I think the first answer is that if  
22 you were to decide in our favor and we were to go into a litigation, and we  
23 were to go into a simple situation, which I don't think we could do any way,  
24 but presumably, if we bring suit against Cal Tech, if we get a patent and  
25 bring suit against them, obviously, that issue is going to be brought up, and  
26 that's something we think a district court is adequately prepared to decide

1 looking at all the equities. And you've got to understand, there's a huge  
2 difference between litigation and administrative procedure.

3 As you well know, discovery is extremely limited in  
4 interferences. It's very rarely that you even grant it. Litigation is much  
5 easier, much freer, and all the facts can be brought out. I mean, I think if  
6 you look at that simple technologies case, it's very clear that they were not  
7 viewing the distinction as an ex parte inter-parties distinction that you're  
8 bringing out. I think they were looking at the distinction between an agency  
9 versus a federal court. And I think it would be our position that you cannot  
10 do this in the context of an agency, unless you give us warning.

11 That's what *Bogese* said. I mean, keep in mind. Even in the  
12 *Symbol Technologies* case, Lemelson could have said, hey, when I kept  
13 filing my continuations, nobody gave me notice. I mean, the same thing  
14 would have been applicable there. And the whole point of the fact is that  
15 there is a distinction between what an agency can do, subject to the APA,  
16 which you argued quite strenuously the Supreme Court in *Zurco* that you  
17 wanted regoverned by the APA.

18 And if you're going to be governed by the APA, the procedures  
19 require that you be bound by the rules of the APA and that you have to give  
20 notice to an applicant before there's a taking-away of rights. And by its very  
21 nature, when you're doing prosecution laches against us, you're taking away  
22 our right before there's anything we could do about it. I mean, after the  
23 point when there was anything we could even do about it.

24 JUDGE TORCZON: I don't think there's any dispute that we're not a  
25 court and we aren't invested with the same powers, etcetera. The question is  
26 really is it a relevant distinction in this context. And there's no question that

1 federal courts are bound by due process requirements as well. So to the  
2 extent we're talking about a due process right to notice and an opportunity  
3 to respond, why wouldn't that be a killer argument not only in every laches  
4 case in district court, but also to every inequitable conduct case.

5 Nobody told us we were withholding. You know, there are all  
6 sorts of places where unenforceability is found after the fact, based on  
7 conduct that happened before the litigation commenced. So why does it  
8 suddenly become different just because it's an agency making the decision?

9 MR. SCHULMAN: Well, because I think by its very nature  
10 you really can't know about inequitable conduct until after the fact.  
11 Because, if you're my examiner and I'm doing prosecution and I withhold a  
12 reference from you, you don't know that I withheld a reference from you.  
13 So there would be no way for you to issue. There'd be no way for you to  
14 raise it at the time, because you can't say I committed inequitable conduct  
15 based on something you didn't know existed.

16 JUDGE TORCZON: Okay. But, we've already seen that  
17 sometimes the office takes most than the most rigorous possible way of  
18 enforcing the rules. I mean that arguably came up in the continuity issue  
19 that they raised in their Motion 3. But when could Cal Tech have pointed  
20 this out before the interference began?

21 MR. SCHULMAN: I would say that since we were an ex parte  
22 prosecution, there would have been no way for Cal Tech to point it out but I  
23 would say that Cal Tech's rights are not forfeited. Because to the extent that  
24 we ultimately as an end game got a patent out of it and tried to enforce it  
25 against Cal Tech. We all well know that that point, it's not like Cal Tech  
26 would not literally get its day in court. They would get their day in court for

1 simply saying that it's not in this particular procedural forum that that day in  
2 court would occur.

3 JUDGE TORCZON: Well, in respect to the mandamus  
4 argument, the argument is they can't force us to decide the issue. And that  
5 may happen. We may get to the end of this and decide some issues are  
6 dispositive. Somebody goes out in 146 action. Presumably laches could be  
7 raised at that point. Okay. The question is not whether they could force us  
8 to decide it. The question isn't whether a District Court may decide it. The  
9 question is why is it inappropriate for us to decide it here where we're not in  
10 an ex parte context. And so the question of whether the office gave you  
11 notice is kind of irrelevant, because the office isn't the one that's pushing the  
12 issue.

13 MR. SCHULMAN: And I think what I have to fall back on on  
14 that is I think it would be contrary to what *Borgese* held. I mean, one of the  
15 things they've never said in any of their papers that they filed in response to  
16 what we filed was that we were never given notice. It comes down to  
17 whether you think the distinction is ex parte versus inter-parties or judicial  
18 versus administrative. And I think for a number of reasons, it only makes  
19 sense to do it in the judicial context and not in the administrative.

20 And again I think there's a big distinction with inequitable  
21 conduct, because there's no possible way by its very nature of omitting  
22 something. There's no possible way for the patent office to advise me. Oh,  
23 you're not submitting that thing that I don't know about. There's no possible  
24 way for the patent office to do that at the time it happens. With laches, you  
25 can tell me: hold it. What are you doing here. You've been filing 10  
26 continuations. Look! The fact that the examiner did it in the *Lemelson* case



1 tells you that it's something the patent office is perfectly capable of doing  
2 when it feels that there's an abuse.

3 JUDGE TORCZON: Should the Patent Office be deciding  
4 inequitable conduct?

5 MR. SCHULMAN: I don't think you are right now.

6 JUDGE TORCZON: The Board -- I'm sorry -- in interferences.  
7 Does the Board have the authority to decide inequitable conduct? Clearly  
8 an equitable issue -- it says it right there in the name.

9 MR. SCHUMAN: I would say you do, because the rules say  
10 you do.

11 JUDGE TORCZON: Actually, there's no rule that says the  
12 Board decides it.

13 MR. SCHULMAN: Oh. I remember for a few years the Board  
14 could not decide inequitable conduct. Fir you could do it, then the rules  
15 said you couldn't do it. And then it was reinstated a few years after that.

16 JUDGE TORCZON: I think the only reference to the Board is  
17 actually in the final, notice for rulemaking, which says--

18 MR. SCHULMAN: Yeah, I do think the Board should be able  
19 to. I mean, you're asking what I think as opposed to what the rule is.

20 JUDGE TORCZON: Well, again I'm trying. It's a very good  
21 question. I'm not trying to minimize it. I think it's a difficult question,  
22 because we have blurred the line with inequitable conduct. Because I've  
23 heard the bright line argument that agencies don't have anything to do with  
24 equity.

25 MR. SCHULMAN: And that's what Judge Newman said in her  
26 dissent in the *Bogese* case.

1 JUDGE TORCZON: So, we've got that position, but then  
2 we've got plenty of precedent going back at least to the early 70s in  
3 interferences, where the Board itself has decided inequitable conduct. So  
4 that bright lien distinction doesn't seem supported in the case law.

5 MR. SCHULMAN: But I think there are two important  
6 distinctions here. The first distinction is you don't have a federal circuit  
7 case that says, you know, you have to give advance notice on inequitable  
8 conduct before you can raise it. And you have a case with *Bogese* that says  
9 with respect to laches that that's what you have to do. That's point number  
10 one.

11 JUDGE TORCZON: I was talking about what the office has to  
12 do.

13 MR. SCHULMAN: But there's a huge distinction. You have a  
14 federal circuit case here saying you're not supposed to do it. You don't have  
15 that with inequitable conduct. And the second point is the one I raised  
16 earlier, which is there's no way you could bring that up. At the time I would  
17 hold a reference from you, there's no way you can bring that up to me at the  
18 time, because you don't know I'm withholding it from you. Laches is  
19 different.

20 JUDGE TIERNEY: But the office here isn't bringing it up.  
21 This is a motion before so it was brought by a third party. So you'd say  
22 that's not a distinction that we should be worried about?

23 MR. SCHULMAN: Not based on what the language of *Bogese*  
24 says.

25 JUDGE TIERNEY: But *Bogese* is an affirmant from an ex  
26 parte case.

1 MR. SCHULMAN: But here is the problem. Again, *Symbol*  
2 was the same thing, and that's why I think it makes it clear that the court  
3 distinction versus agency distinction is a very important distinction.  
4 Because if what you're saying is correct, then if I'm Lemelson in the *Symbol*  
5 *Technology* case, I should be saying, hey, look what you're doing to me. I  
6 was never given warning at the time that I did this that my 15th continuation  
7 application that resulted in the patent that's covering *Symbol Technologies*  
8 was a problem.

9 And, I mean, you can't dispute the fact that *Lemelson* could  
10 have made the same argument, because he was never given rejection with  
11 the string of continuations. And that was certainly an inter-parties context.  
12 The difference was court versus agency.

13 JUDGE TORCZON: Well, but in *Borgese*, the fact is he was  
14 given a warning and it was affirmed. And it's hard to imagine a situation  
15 where the examiner would just spring a laches kind of rejection on  
16 somebody without telling them.

17 MR. SCHULMAN: I've been told to reduce claims before. I  
18 mean, again, I've been prosecuting since 1981. I've been told by examiners  
19 in interviews about continuations and we're not really advancing the  
20 prosecution. You probably should go for an appeal at this point. I've been  
21 told that too. It's not something that examiners aren't perfectly capable of  
22 telling you. I went to the interviews with examiner Marshall in these cases,  
23 and I can tell you. He never even cared about the number of claims or the  
24 continuation issues or things like that. He was very focused on what we  
25 were doing with the claims. And, if you want, I can just address a little bit  
26 about, I mean, we talked a lot about the procedural and the jurisdictional

1 aspect. But I could talk a little bit now, maybe about the actual facts on the  
2 assumption that let's assume you have jurisdiction to rule this way why we  
3 still don't think it should be applied against us.

4 JUDGE TIERNEY: I just want to clarify. If this goes to a rule  
5 146 action, would the district court have jurisdiction over the laches issue  
6 there?

7 MR. SCHULMAN: You know, I'm not a litigator. I'm just a  
8 patent prosecution guy, but an interference guy. So I'm probably not the  
9 best person to ask a question like that to. My gut, yeah, they could, but I  
10 would not take that to the bank. You'd have to ask somebody who's a  
11 litigator.

12 JUDGE TORCZON: Okay. Let's move on to the next.

13 MR. SCHULMAN: Okay. Just in terms of the merits on the  
14 laches issue, I think, and this was raised a little bit during the initial  
15 presentation. I think that there are a couple things that have to be taken into  
16 consideration. I mean, we can basically divide our prosecution into three  
17 phases. I mean, we had our first phase, which was when we originally filed  
18 in 1982 and going to 1990. We had a second phase from 1990 to 1997, and  
19 then we had a third phase from '97 to 20007. And the reason I divided it  
20 into these three phases is because that's when sort of there were changes in  
21 focus as terms of what was going on.

22 From 1982 to 1990, what we were doing was we were pursuing  
23 product claims -- by the way, product claims that would cover sequencing --  
24 which again distinguishes us from the *Symbol* case. And so we tried. We  
25 filed a couple of continuations. We pursued those cases, and by 1990 it was  
26 apparent that we were not quite getting the protection that we thought we

1 should be getting with respect to product. So by 1990 something happened.

2 We started to focus on the methods, for example, method of  
3 detecting claims. And one thing you might notice is if you look at their own  
4 claims, they have claim 1 and they have claim 14. Claim 1 is actually a  
5 method of detection. Claim 14 is a method of sequencing. They have never  
6 argued that they are patentably distinct, because they could have said, don't  
7 make my detection method correspond to the counter. It's a separate  
8 invention, or it doesn't meet the two-way test.

9 So they're on record as acknowledging that detection and  
10 sequencing are the same, and we were presenting detection claims by 1990,  
11 which is when the focus shifted to going after detection, and that goes into  
12 our second period, which was a 1990 to 1997 period, when not only were  
13 we filing patents on detection, but we were also getting four other patents  
14 being issued at that time. And they've acknowledged in their own papers  
15 that they filed that in this family that we've talked about, it's not like we  
16 were only doing this one thing that we're focusing on in this interference.

17 We were also in the course of four other patents. Then what  
18 happened in 1997? In 1997 we filed claims to a method of sequencing,  
19 coincidentally, one year before their patent interference issued. So it's not  
20 like their patent issued, and, oh my God, we can get them now with this.  
21 We filed claims to a method of sequencing before their patent, the '058  
22 patent even issued.

23 And then the third period I can talk about is the period from  
24 1997 to 2007, and in that particular period we were very vigorously  
25 pursuing to get the interference going. And we were trying to get the claims  
26 allowed to sequencing and then get the interference going. And, you know,

1 during that period we had for example --

2 JUDGE TIERNEY: Could we just stop and maybe make a  
3 correction? You said in '97 to 2007 you were pursuing an interference?

4 MR. SCHULMAN: Well '97 is when we first presented claims  
5 to sequencing, and I believe it was in 2000 we first brought the examiner's  
6 attention to the '058 patent. And then from May of 2000 when we first  
7 brought the '058 patent to the examiner's attention right through 'til  
8 November 6 when the interference was declared, we were very vigorously  
9 pursuing to get the interference going. And we had a little bit of bad luck  
10 during that period. Again, I was there. We had an examiner who said put  
11 this limitation in. You put the limitation in, and he said new matter. That  
12 wasn't fun, but we managed to work our way through it.

13 JUDGE TORCZON: Is there an exhibit that supports all this?  
14 I don't want to turn this into an evidentiary hearing.

15 MR. SCHULMAN: Yeah, I believe our opposition on the  
16 laches motion talks about the extensive prosecution history. And, of course,  
17 in 2004 you played a little bit of a trick on us and changed the interference  
18 rules. And at that point, the examiner demanded that we provide a  
19 suggestion of interference in accordance with the 2004 rules, where as we  
20 had initially filed under rule 607 under the old 600 series rules prior to that.

21  
22 So I think you could see when you break it to these three  
23 periods, it's not like we were sitting there lying in wait. We had claims that  
24 would have covered sequencing from day one. We spent eight years trying  
25 to get fraud product claims. We were not successful the way we wanted in  
26 getting those product claims. In 1990 we did a shift of strategy and starting

1 pursuing method of detection claims, just like their claim 1 is a method of  
2 detection. And we continued prosecution there.

3 The one thing, and you know this part has to be acknowledged,  
4 the one thing that did happen in that 1990 to 1997 time period was we did  
5 have the two years where the case was unintentionally abandoned and  
6 revived. But even when you look at that middle period, outside that two-  
7 year period where we had that particular thing happen, three and a half years  
8 of that 7th period we're waiting for office actions to issue from the Patent  
9 Office.

10 The final point on the laches issue to the extent that the Board  
11 asserts its jurisdiction is that CIT's own actions in this particular case are not  
12 exactly exemplary. And when you actually look at their own particular  
13 behavior in a situation, they themselves took 15 years. The filed multiple  
14 continuations. They got into a spitting match because they kept trying to  
15 file CIPs under continuation practice, and that delayed things for another  
16 year. So under the theory of he who seeks equity must do equity, we will  
17 tell you that they don't exactly walk into this with clean hands. Their own  
18 prosecution history of 48 years was--

19 JUDGE TIERNEY: Could you stop for a moment? Before we  
20 move completely off your case, it's my understanding you had product  
21 claims from '82 to '90, a method of detecting claims from '90 to '97, and  
22 from somewhere in '97 to present, you have method of determining?

23 MR. SCHULMAN: The sequence.

24 JUDGE TIERNEY: Okay. Why is it the method of  
25 determining couldn't have been placed into your application back in '82?  
26 Why did it take 'til '97 to put those claims in?

1 MR. SCHULMAN: Because we were doing what a lot of  
2 applicants did, and what I did all the time when I was full-time prosecutor.  
3 We tried to get our broadest product claims first. Remember, the mentality  
4 was different back then. This was before GATT. The practice of most  
5 people back in the 1980s was let me try to get my product protection, and  
6 you pursued that. And then depending on how that went, ultimately you  
7 made a decision to try to get your process protection. I mean, in hindsight  
8 in the context of this interference, yeah. It would have been great if we had  
9 done that, but we weren't thinking about being in an interference much later.  
10 We were thinking about the best protection people try to get is product  
11 claims.

12 Those product claims, frankly, if we had gotten them, we  
13 would have covered sequencing with those claims. So we were just doing  
14 what everybody does. We were pursuing the broadest protection first.

15 JUDGE TORCZON: Okay. Let's wrap up on the last motion  
16 they argued and then move on to your motion.

17 MR. SCHULMAN: Well, there's actually not too much to say  
18 on that particular one. I mean, I think it's fairly clear that the evidence  
19 they're relying on for you to overturn what the Commissioner did. I think it  
20 was still the Commissioner at that particular point, is no more than what the  
21 Commissioner had at the time in front of him.

22 JUDGE TORCZON: Do we have the jurisdiction to do that?

23 MR. SCHULMAN: You're funny. Candidly, I don't think so,  
24 but I've been overruled on that. That one's not over yet.

25 The other thing is that even though we met the one-year  
26 requirement under 137(b), when the petition was submitted by Mr. Fedus, I



1 mean, he actually went out of his way and mentioned in his petition about  
2 how he had gotten that notice of abandonment. And when he did that, you  
3 know, the Patent Office duly noted it. So it's not like it was a game of  
4 hiding the ball. And so again it comes down to the director, or the  
5 Commissioner rather, then has made a decision and all the facts presented to  
6 you right now are no more than what was presented that the director had in  
7 front of him.

8 And, certainly, without addressing the question of whether  
9 you're bound by it or not, because smarter people than I are going to decide  
10 that one, I think it's fairly clear that at the very least it's a difference as sort  
11 of a fellow branch of the Patent Office.

12 JUDGE TORCZON: Okay, let's proceed to your motions. Are  
13 you done? I'm sorry.

14 MR. SCHULMAN: Well, I mean, we did have some offensive  
15 motions too, and I just very briefly alluded to our motion about their non-  
16 enablement. And I just think it kind of fits in nicely with the written  
17 description in this sense. I mean, they say we didn't lay out the steps for  
18 sequencing, but if you look at our motion and you look at what they actually  
19 disclose for attaching a label to a nucleic acid with the five prime amino,  
20 that technology actually did not work, and we have testimony on that.

21 And, you know, so to the extent that they want to say that we  
22 were weak on process, we were certainly strong on chemistry. And I think  
23 what we could say in return is okay, well, maybe you had more on process  
24 than we did, but keep your own house in order with respect to the chemistry.  
25 And that's all I have to say about that.

26 JUDGE TORCZON: Okay. Cal Tech, do you have a rebuttal?

1 MR. VOIGHT: Your Honor, we've been going for two hours.  
2 Could I possibly request a five-minute bathroom break?

3 JUDGE TORCZON: It's fine with the panel.

4 We're off the record, thank you.

5 (A brief recess was taken.)

6 JUDGE TORCZON: We're back on. Thank you.

7 Okay, let's see if we can get this done more or less by noon.

8 MR. VOIGHT: Well, try. I think on written description, Your  
9 Honor, I think we have no other comments, unless you have questions. And  
10 I want to jump in real quickly under the 135(b) issue, just quickly on the  
11 language of the rule if I can find it in my book here. Sorry. It's at Tab 18.  
12 It uses the language "threshold issue may include." Then it lists three  
13 things. We emphasize the word "may." That suggests to me that the three  
14 things aren't exclusive if there are other things you find that should deprive  
15 an opponent of standing in an interference.

16 You can't expand beyond those three, so I think even if this  
17 isn't within the literal language of the rule, I think you could still find it  
18 raises a threshold issue. And, in addition, with regard to it being within the  
19 literal language, there are other places in the rule, including in Rule 201  
20 where the language involved application or patent is used, and it's not used  
21 here. Then there was some talk about the patentability issues. Certainly,  
22 you mentioned the *Magrue* case. That goes back quite a while now, so it  
23 certainly is, I think well-established and it has been for a long time that an  
24 unrelated patent can raise a 135(b) issue. That's not an issue here.

25 Then there was reference to the restriction requirement in the  
26 parent. It was indeed traversed. We're criticized somehow. We've done

1 something wrong, and not specifically arguing the claims weren't  
2 patentability distinct. We should have taken that issue on, so the patent is  
3 distinct. I don't think anybody ever makes that argument. I think anybody  
4 that does, quite frankly, is a fool. You're setting yourself up for real  
5 problems downstream. And what difference does it make. I still think that's  
6 not the issue. I think we all know that the Board, I think you alluded to that.

7           The Board gives has traditionally given in my experience very  
8 little weight to restriction requirements. I think they have a realistic view  
9 that that's the necessary tool for an efficient examination process, but it  
10 really has little significance in determining whether or not, for example,  
11 claims should be designated as corresponding to the same counter whether  
12 they're really patentably distinct.

13           Then there was talk about these claims in the '534 patent being  
14 to a really different invention. Well, the claims are set forth at a couple of  
15 places, actually. There is claim 1 of the '534 patent appears at both. I think  
16 Tab 20 and 21, either one. It doesn't matter. Maybe if we take a quick look  
17 at it, it does say at the beginning: "a novel system for the electrophoretic  
18 analysis and aligonucleotide fragments produced in a sequency operation."  
19 So don't tell me that's not a claim that's a sequencing claim.

20           And, on top of that, this claim, the chart I'm looking at is the  
21 one at Tab 21 where the claim is set forth juxtaposed to things taken from  
22 the basic *Sanger* original paper on the Sanger type sequencing, and tell me  
23 what about that claim is not in the prior art other than the use of fragments  
24 that are tagged with non-radioactive tags and detected photometrically. If  
25 Enzo's application supports the claims they've got in there, because it's  
26 based on what they disclose and what's in the prior art, it sure as heck then

1 would have equally supported this claim 1.

2 And then they've also talked about early claims that cover  
3 sequencing. I really don't know exactly what he's got in mind, but certainly  
4 none of those have ever been relied on or suggested that they're a basis for  
5 defeating a 135(b) bar. That's all I have on that one.

6 MR. GROOMBRIDGE: I'll respond and endeavor to be as  
7 brief as possible on the prosecution laches issues. First of all, Judge  
8 Torczon, just to pick up on one point, we did indeed refer in our briefing to  
9 the abandonment and revival. That was referenced in it.

10 I have to start out by saying I was surprised to hear Mr.  
11 Schulman say now that they take the position there were claims in the 1982  
12 application that would cover sequencing. I have and I invite the Board to  
13 look at the claims. It's Cal Tech, Exhibit 2041. There are no claims that  
14 cover sequencing. There are no claims that are to any methods of detection.  
15 There are product claims. There are claims to a method of chemotherapy.  
16 There are claims to a method of stimulating or inducing cells to do certain  
17 things. That's all.

18 JUDGE TORCZON: I think his point though is that they had  
19 original claims to products that would have effectively tied up the same  
20 field any way. So whether or not they were claiming this exact method to  
21 the extent we're arguing an injury to the public or an injury to Cal Tech,  
22 they've always been pursuing claims that would have blocked out the same  
23 field.

24 MR. GROOMBRIDGE: That may be his point now, but that's  
25 a new argument that's never been raised in the briefing, and we strongly  
26 disagree with it if it were timely raised. It would have been elucidated in

1 the briefing, but what I will say is and I would just direct the Board's  
2 attention here to material facts, 22 and 25, on this motion. Material fact 22  
3 is none of the 14 restriction requirements given by the examiner consisted of  
4 a process or method of sequencing nucleic acids. Answer admitted.

5 And 25 is on March 28, 1997. Enzo added claims 329 to 336,  
6 the first DNA sequencing claims. Enzo responds, admitted. That's been the  
7 record in this case, and now for Enzo to stand up now for the first time at  
8 the hearing and say, oh, that's all wrong. We had claims that effectively  
9 covered this from the get-go is not correct and also is procedurally unfair.  
10 So it's just now true. We could have delved into what the 180 product  
11 claims presented in the original application do or don't cover. We strongly  
12 disagree with this belated suggestion that they in some way inherently cover  
13 methods of sequencing. But the boat should have sailed on that. Had they  
14 wished to make that argument, they should have made it in their opposition  
15 brief and we would have addressed it.

16 JUDGE TORCZON: What can you tell us about our  
17 jurisdiction here? Apparently, that's very much in question.

18 MR. GROOMBRIDGE: Sure, certainly, Your Honor. First of  
19 all, I think perhaps not surprisingly, I would agree with the points that seem  
20 to be inherent in Your Honor's questions.

21 JUDGE TORCZON: I just ask questions to test, I guess.

22 MR. GROOMBRIDGE: Insofar as the argument about *Bogese*  
23 is concerned, we think that that, which also appears to be a new argument  
24 that wasn't raised in the briefing, we do not believe that there is any  
25 limitation imposed in *Borgese*. All that *Borgese* says is to be sure an  
26 administrative agency cannot impose a penalty or forfeiture without

1 providing notice. It's a basic due process point. And absolutely that is  
2 right. We say if we look at it in the context of an inter-parties proceeding,  
3 Enzo has had notice.

4 The very fact that this is proposed as a motion by Cal Tech, the  
5 issue of whether it's a proper motion is decided at the preliminary level.  
6 Then there is briefing in which both sides have an opportunity to be heard,  
7 and then a decision. That does meet those due process requirements; and,  
8 therefore, in this context, that aside as it were from *Borgese* is simply  
9 inappropriate. And you go on and you look at what *Borgese* says. Just  
10 looking at that in the ex parte context there, it says that notice was given in  
11 two ways: first through *Ex Parte Hull*, in which in essence the *Borgese*  
12 decision says the agency has already told the world in its decision in *Ex*  
13 *Parte Hull*, if you engage in undue delay and prosecution, it could have a  
14 negative consequence, so you are on notice.

15 That is in essence the sign that says the speed limit here is 55.  
16 Right? And if the officer pulls you over, you know, and you say yeah, sure.  
17 I was going 95, but I didn't know there was. And the answer is there's a  
18 sign. All right. And that's exactly what is said in *Borgese*, that everyone  
19 knows, or at least they have constructive knowledge from ex parte Hull that  
20 you can't do this kind of thing. That's a case that goes back into the 1970s.  
21 That's the first point that the Federal Circuit relies on in *Borgese* to say this  
22 applicant had warning.

23 The second point is the specific statement by the examiner  
24 there saying if you keep dragging your feet here, I'm going to issue a  
25 rejection based in essence on prosecutorial laches. That's true. It appears to  
26 say that both grounds were independently sufficient. So I think the basic

1 premise is flawed. Then I think it doesn't apply in an inter-parties context.  
2 And to the extent that there's some argument that there is unfairness arising  
3 from application of laches, I would just point out there's no small irony  
4 there.

5 Mr. Schulman says it would be unfair to Enzo, because you're  
6 taking away rights without their being able to do anything about it. The  
7 whole point is based on their conduct. The thing they could have done  
8 about it is not wait 15 years to present the claims. And in any laches  
9 situation before an agency or before a court, that is always the case. It is  
10 almost impossible to imagine a situation in which the party guilty of laches  
11 was warned, oh, you shouldn't keep doing this. Right? That's just part of  
12 the rule. That's why we have this equitable doctrine. If you wait too long,  
13 you sleep on your rights, you lose those rights.

14 And as far as the Board's jurisdiction to address equitable  
15 issues, I'm certainly no expert, but it seems to me that the Board has on  
16 many occasions taken those up, including in the form of inequitable  
17 conduct. And I do not think it is the law. I don't think there's any serious  
18 suggestion that the lawyers the Board has no jurisdiction over equitable  
19 issues. I see no reason why this one should be any different from any other  
20 and certainly the *Borgese* case does not say that. And I think with that, just  
21 I guess would also point out the argument with respect to the division of the  
22 prosecution into three phases is also a new argument that's not contained in  
23 the briefing, and there's no record for this prosecution strategy being first to  
24 seek product claims and then to seek something else and only finally to seek  
25 method of sequencing claims.

26 With that, I have nothing further, unless there are additional

1 matters the Board would like to hear about.

2 JUDGE TORCZON: No. Thank you.

3 MR. VOIGHT: Your Honor, I'd like to raise an additional  
4 issue if I may.

5 JUDGE TORCZON: Were are we in the brief?

6 MR. VOIGHT: I think we're not going to respond any further  
7 on anything that's been raised to this point. But you'll recall there was an e-  
8 mail exchange with the paralegals regarding an issue I wish to present that  
9 was not presented in our brief that goes to their motion 3.

10 JUDGE TORCZON: Okay, so this is in response to their  
11 motion.

12 MR. VOIGHT: This is in response to their motion 3. And in  
13 their motion 3, they raise several different reasons why there's a priority  
14 gap. And they really haven't had a chance to present that, so I'm not going  
15 to address anything except I'm going to start with the assumption the only  
16 real issue is is there a gap that arose because our file wrapper continuation  
17 was filed before the appeal brief was filed and after the time when the  
18 appeal brief was due.

19 And it would be helpful here to turn to Tab 23. There's a  
20 timeline for the relevant case, the '232 application, which is number 4 in the  
21 table we looked at before. It's all said through and I'll run through the  
22 timeline very rapidly because I know the timeline is short. We all want to  
23 get out of here. I think it is clear and there's a brief excerpt from the  
24 relevant MPEP. It appears at page 25, MPP at the time, that says in essence  
25 when an application is on appeal it does not go abandoned if an appeal brief  
26 is not filed if there are allowed applications in the case. And what I'd like to



1 show is that there were allowed applications of the '232 application at the  
2 time the appeal brief was due. And this is a little bit messy. I'll run through  
3 it though just as quickly as I can.

4 JUDGE TORCZON: Well, wait. Before we speed over the  
5 point, was this argument made in your opposition?

6 MR. VOIGHT: Absolutely not, Your Honor. It was the point  
7 of the correspondence that we had back and forth with the respondents.

8 JUDGE TORCZON: So when Mr. Schulman stands up, the  
9 first thing he's going to say is this is a new oral argument.

10 MR. VOIGHT: That's correct. But the word I got back was I  
11 should present the argument. I was asking for a hearing to see how to deal  
12 with this thing, and the word I got back was present the argument at the  
13 final hearing. And that's what I'd like to do.

14 JUDGE TORCZON: Okay, well there's sort of a threshold  
15 consideration about whether that's even appropriate. But I guess with the  
16 understanding that this is a new argument, why don't we go over it very,  
17 very quickly.

18 MR. VOIGHT: Okay, fine, very quickly. The timeline in front  
19 of you, if we look at Tab 26, this is the claims I mean as originally filed  
20 from the '232 application. The only thing really significant to look at there  
21 is look at claims 15 through 22. They were never amended at any time clear  
22 through the subsequent of file wrapper continuation application that was  
23 filed, and note that some of these claims in particular say 15 is an  
24 independent claim.

25 With that in mind, then we'll doing it rapidly turn to the next  
26 tab, Tab 27. We have the first office action in the case. In the cover page

1 here at paragraph 4 it says claims 1 through 23 are rejected. I will note that  
2 claim 23 is in both the redrawn claims and the rejected claims. That's  
3 obviously an error. And I submit the same claims 1 through 23 was also an  
4 error. I don't want to take time to go through this page by page, but if you  
5 take a few minutes at your leisure and look through it, you will find that as  
6 to claims 15 through 22 there is no mention of them anywhere in that office  
7 action. Claims 15 through 22 were not rejected. They were not objected to  
8 and they're not subject to being restricted out.

9 JUDGE TORCZON: I think we've got the flavor of your  
10 argument. And, again, I don't want to turn this into an evidentiary hearing.

11 MR. VOIGHT: All of these are of record already, Your Honor.  
12 I'm not presenting anything new.

13 JUDGE TORCZON: Right, but this is all new discussion.  
14 They haven't had a chance to cross-examine anybody on anything. So I  
15 guess one of the questions was assuming these claims are here, let me back  
16 off a second. The period you're disputing here was a response to a  
17 shortened, what, two-month period to file?

18 MR. VOIGHT: Well, no, Your Honor. It was not a statutory  
19 period. Actually there was an office action granted, and you can see it from  
20 the timeline. I mean, excuse me, an office action issued and back in first in  
21 January. Or, excuse me. Well, the final rejection came in on June 19, 1990,  
22 and it was extended clear out to the six-month period. Now, there's some  
23 dispute whether that was proper or not, but that's not what I'm addressing.

24 Then at the time it was extended out to six months, or actually  
25 shortly before that, a notice of appeal was filed. The issue is when was the  
26 appeal brief due. And assuming it was done when they maintain it was

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1 done, two months from -- I think, well, there's some dispute, but anyway a  
2 two-month period -- whenever that started to run, the argument I want to  
3 address is it doesn't matter whether or not we responded by filing a timely  
4 filing and appeal brief, because the case didn't go abandoned because we  
5 didn't file an appeal brief.

6 JUDGE TORCZON: Okay. So we're talking about whether  
7 Cal Tech missed a two-month period.

8 MR. VOIGHT: Well, I suppose you can say they missed it.  
9 My point I'm trying to make I'm assuming--

10 JUDGE TORCZON: But, no. That's the question. I'm framing  
11 the question. That is the question, whether they blew a two-month period.  
12 We're not talking about a statutory.

13 MR. VOIGHT: Not a statutory period, Your Honor, and the  
14 point I want to make right now is even if we accept their argument that they  
15 missed that time period by not filing the appeal brief and filing the file  
16 wrapper continuation after the appeal brief was due, it doesn't make any  
17 difference, because there were allowed claims in the case.

18 JUDGE TORCZON: Okay. I think we've probably heard more  
19 than enough on that issue. Do you have anything else to say in response to  
20 their motion at this point? Because I'll note Mr. Schulman spent, I think,  
21 zero time on this before.

22 MR. VOIGHT: He did, and I would not have wanted to raise  
23 this but for the fact it is a new motion. Your Honor, it would take me about  
24 two minutes to run through the rest of the papers, because I really do think  
25 that we need to see the entire prosecution history to make it clear there were  
26 allowed claims in there at the time of the appeal. And that, I think, really

1 disposes of the real issue in that motion.

2 JUDGE TORCZON: It's either evident on the face or its not,  
3 so that's my concern about getting into it. So I think we've heard enough on  
4 this issue at this point. If you want, this is a process call at this point. If  
5 you want a reconsideration, you can file a paper asking for reconsideration,  
6 but the answer at this point is we've heard enough on it. I'd like you to  
7 move on.

8 MR. VOIGHT: Okay. Then, I have nothing else. Okay?

9 JUDGE TORCZON: Mr. Schulman, do you have a few  
10 comments you want to make in rebuttal on your motions?

11 MR. SCHULMAN: Yes, just one or two about Mr. Voight's.

12 JUDGE TORCZON: Okay, but with the understanding that I  
13 didn't let him get into it very much, so I really don't want hear a lot from  
14 you.

15 MR. SCHULMAN: I will take a lot less time than he took.

16 JUDGE TORCZON: Okay.

17 MR. SCHULMAN: Okay, first of all, just from a procedural  
18 point of view to the extent that we just heard opposing counsel talk about us  
19 raising new arguments, I think, you know, did a little bit of a double  
20 standard here. And we don't think we raised new arguments anyway, but to  
21 the extent that they've complained that we have--

22 JUDGE TORCZON: You're looking for strict enforcement,  
23 now, okay.

24 MR. SCHULMAN: Either enforce it against both of us or  
25 enforce it against neither of us would be my comment on that one.

26 Just briefly in terms of the notice of appeal issue, I'd like to just

1 make two points. First of all, the rule that they were talking about applies.  
2 We didn't have a lot of time to look at this. I was preparing for one or two  
3 other things, so to take it at that. But the rule applies to when you file a  
4 notice of appeal timely, but then you never pursue your appeal brief. And  
5 then by never pursuing your appeal brief, the default is if you had some  
6 allowed claims, then those go back to the primary examiner for failure to  
7 file your appeal brief. And the primary examiner can, you know, put  
8 through the claims that were indicated to be allowable. In this case it was  
9 the notice of appeal that wasn't filed timely, not the appeal brief. And that's  
10 a big distinction. That's pointed out in the MPEP. And I pointed out  
11 likewise in an e-mail that I sent to you, but we unfortunately never heard  
12 back from you on that particular thing.

13 JUDGE TORCZON: For clarity in the record, my  
14 understanding is the e-mail was sent in to a paralegal in an effort to  
15 schedule a conference call that was declined. So I just want to make clear  
16 what happened.

17 MR. SCHULMAN: Just the second broad point I'd like to  
18 make on this whole revival issue, nobody is more painfully aware than I am  
19 about if you lose co-pendency and then try to file a petition to revive at the  
20 Board, no one. And I could tell you just in terms of the showings that we  
21 had to make, one of the things and we had an oral hearing on this a month  
22 ago and the Board members, two of them are here, were talking about  
23 showing the entire period of the delay from the abandonment to the filing of  
24 a grantable petition was unintentional. And I was questioned about that  
25 when I was sat the hearing. They didn't even make an attempt.

26 They didn't put anything even on the record to say that there

1 was diligence in that period. They certainly put in a paper saying the  
2 abandonment was unintentional, and that this was obviously not something  
3 they wanted to do. But then there was a very large period of time. I think  
4 it's 15 years, that 's completely unexplained. And if you look at the  
5 language of the rule, and again, no one knows it better than I do. If you  
6 look at the language of that rule, it says the entire period from the  
7 abandonment to the filing of a grantable petition was unintentional, that the  
8 delay in that was unintentional. They never even put up a showing on that.  
9 And that's something we know from first-hand knowledge is something the  
10 Board requires. And that's all my comments.

11 JUDGE TORCZON: I'd like to follow-up just a little bit,  
12 because we didn't really have a chance to discuss your motion. I think I  
13 pointed out to the parties the *Aristocrat Technologies* decision, and in that it  
14 makes a big deal about there are certain statutory abandonments and the  
15 director has no discretion to make up new processes for those. Here, we're  
16 not talking about a statutory deadline. And the office accepted the refiling  
17 at this point. Why didn't that cure? Or, perhaps extend the analogy a little  
18 bit. Why isn't this analogous to the petitions examiner looking at a petition  
19 to revive filed months and months after the notice of abandonment and  
20 saying, good enough?

21 MR. SCHULMAN: Well, one of the things that occurred here,  
22 however, is that there was an express abandonment of the case, which might  
23 distinguish the case. Again, I've not had time to brief this and really look at  
24 it and respond, but certainly that's one very big distinction is they expressly  
25 abandon that application that they're now seeking revival of, so that might  
26 take it out of what you're talking about. And that's pretty much all I have to

1 say.

2 JUDGE TORCZON: All right, well, I think we've got the case  
3 in hand. Nobody argued the enablement. They didn't rebut the enablement,  
4 so I think we're done on that.

5 Mr. Voight, you're jumping out of your chair. What do you  
6 need to say?

7 MR. VOIGHT: I'm hoping I could respond to that. Their  
8 principal argument in their original brief --

9 JUDGE TORCZON: No.

10 MR. VOIGHT: Okay, we're done?

11 JUDGE TORCZON: We are done. We are done on that issue.

12 MR. VOIGHT: Your Honor, can I just make one point. Oh, is  
13 he done? Well, I was going to say I also wanted to respond on the argument  
14 about the entire time period issue. Can I have a few seconds on that one?

15 JUDGE TORCZON: No. I think most of that is all getting off  
16 into stuff that we're going to have to address under another heading,  
17 perhaps.

18 Mr. Rzucidlo?

19 MR. RZUCIDLO: It has nothing to do with this case but a  
20 procedural question.

21 JUDGE TORCZON: If it has nothing to do with this case?

22 MR. RZUCIDLO: Well, it does, because the last time we  
23 argued a case it got transcribed and we have yet to get a transcript of the  
24 hearing. And we'd like to know when we'd be able to see this transcript.

25 JUDGE TORCZON: Why don't we handle this off the record?

26 MR. RZUCIDLO: Sure.

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1 JUDGE TORCZON: Okay. We can go off the record now.

2 (Whereupon, at 12:01 p.m., the hearing was concluded.)

3 \* \* \* \* \*